THE EVALUATION OF RELATION BETWEEN SPATIAL DISTRIBUTION OF HOTELS AND BUSINESS SERVICES WITH RESPECT TO SPATIAL DEVELOPMENT OF ISTANBUL

Dr. Ebru KERIMOGLU
Prof. Dr. Hale CIRACI
Istanbul Technical University
Faculty of Architecture
Urban and Regional Planning Department

Abstract

The restructuring process of the 1980s focused on the tourism sector as a means of promoting economic development, and the number of hotels in Istanbul increased in correlation with the growth of the number of tourists and international business relations of Istanbul.
This study investigates the historical and spatial development of hotels and the concentration of some business clusters in Istanbul and tries to analyze in a systematic way the spatial dimensions of tourism sector in relation with the development of business services. The focus is on spatial relationships, spatial distribution of hotels and business services.
The study then considers how hotels have been located by the development of business services and examines the spatial development of the hotels and services as a part of Istanbul's spatial restructuring process.

INTRODUCTION

Service sector, which has also been called as the tertiary sector, is one of the main industries of developed economies. Its main objective is to provide necessary services for other sectors and end users. These services can include transportation and distribution of produced goods to end customers as well as presentations like tourism and entertainment. There is a strong flow in industrialized countries from other industries to the tertiary sector (DPT, 2000).
Services establish a structural link between various activities constituting the production process. They link different economic units and act as intermediaries in transmission of products from the producer to the customer. They also help to establish equilibrium between supply and demand in organized market (Dura, Atik, 2002).
Service sector is organized in four main categories according to OECD criteria; producer services, distribution services, personal services and social services (IMP, 2005).
Producer services are middle level inputs that are sold to other firms and increase production activities. Typically they contain high information and generally they reflect within-office support

services to outside. Producer services are; finance, insurance, business services, professional services, real estate, banking, rent and leasing services.

Personal services are defined by the direct relationship established between the customer and the service provider. Personal services are; accommodation, food and drink, recreation, entertainment, cultural, domestic and information services.

This study investigates the spatial development of Central Business Districts which are commonly preferred by producer service providers and accommodation facilities that fall within the scope of personal services within Istanbul Metropolitan Area.

Today's global realities and future expectations for Istanbul make it clear that appropriate approaches for dealing with opportunities and threats for cities which borne out of new conditions should be adopted and in this context economical dimension should be in a competitive level in order to ensure sustainable urban development.

Fundamental changes in the economy, technology, demography and politics are reshaping the environment for cities especially in Europe. The development of business services, promises considerable renovation of the urban functions with a significant growth in the economy linked to tourism activities.

Tourism is one of the most significant social and economic forces in the world today. The economic, social, environmental and cultural implications of such developments can be seen in a lot of cities. In parallel with the changing role of tourism sector in the urban economy, this study considers the relationship between spatial distribution of tourism activities and business services in urban geography.

Istanbul is a tourist attraction centre owing to its unique location, nature and history. The economic restructuring stimulated the demand for modern office space and also for hotels. The restructuring process of the 1980s focused on the tourism sector as a means of promoting economic development, and the number of hotels in Istanbul increased in correlation with the growth of the number of tourists and international business relations of Istanbul. This process is the result of Istanbul's transformation from a traditional to an international market.

This study examines the historical and spatial development of hotels and the concentration of some business clusters in Istanbul and analyze the spatial distribution of hotels in relation with the development of business services.

SPATIAL EVALUATION OF BUSSINESS SERVICES

Developments in the Information Technology since 1970s lead to changes in various sectors like production, administration, education, health, environment, settling areas and in social thinking, behavior and values. Effects of these changes to urban planning in the metropolitan area are seen as they increase activity and bring dynamism by increasing diversity of goods and services in an environment where international rules are in effect.

Whereas central development in metropolitan cities, which extend along main roads, show a hierarchical structure until 1980s, transformations are brought into effect with the help of economical restructuring and developing information technologies (Bağdadioğlu, 2005).

In the scale of the metropolitan city flexible production systems are creating clusters in different areas. In metropolitan areas business services that employ skilled workers and use face to face contact in their businesses show a tendency to settle in the center and use Central Business Districts (CBD); whereas back office functions that does not require high level contact, that can use cheap labor become decentralized by settling in the periphery and lower their costs by this way (Commission of the European Communities, 2003).

Location of these services depend on developments in communication, population mobility and mobility of service and goods customers, highways and inter regional transportation systems, access to highly qualified labour, rent and office parks. Services that require high level interaction like law and advertising are located in the centre, whereas other services are located in the periphery (Commission of the European Communities, 2003).

Factors like transportation and accessibility, parking facilities, proximity to the business markets, customer potential, and prestige of areas, visibility, proximity to complementary businesses, proximity to other companies in the sector, suitability of land prices to own a real estate for areas outside city center can be cited as location criteria for local companies (EU, 2005).

Infrastructure, transportation, urban fabric, urban economies, population structure, employment, free lands, potential transformation areas, spatial organizations, proximity to the CBD, planning decisions and regulations are seen as important binders for location criteria.

In shortly, the spatial distribution and functioning of the industrial economies have been shaped by the characteristics of prevailing levels of production and distribution technology, modes of work organization, labor and capital mobility.

All these features are currently dramatically changing due to the relocation and de-verticalisation of mass production industries followed by the development of new service activities, the transformation of cultural and leisure activities from pastimes into economic business, the emerging role of information and communications technologies (Pagi, Usai, 2005).

SPATIAL CHANGE IN ISTANBUL METROPOLITAN AREA AND DEVELOPMENT OF BUSSINESS SERVICES

Central Business Districts are places where business services called as high order services are intensified and local economy is integrated with the global economy in metropolitan economies. Hierarchy between traditional CBD and other sub centers persisted up until 1990. This hierarchy changed between 1992 and 2002 as producer services seeking locations in the central area show an extra growth and new business areas are formed.

When compared to other world metropolitan cities 59% share of the services sector in the employment in Istanbul is expected to rise to 80 % in 2020s. The change in the developed western countries where service sector is the dominant sector in the economy occurred with the structural change of the manufacturing industry (IMP, 2005).

Spatial change in Istanbul

The first signs of transformation in the morphology of the Istanbul became observable in the Ottoman Capital especially during the second half of the 19th century due to the integration of economy with the capitalist system and modernisation both at the institutional and social levels. The dynamics set into motion by the economic development policies of the early 1950's caused the period transformation in many aspects of Turkish life. The transformation, from an agricultural society to a new social structure in which the industrial activities gained importance, intensified in especially Istanbul. Istanbul has been one of the few major poles attracting migrants from the rural areas and her population has been increasing rapidly ever since. During this process, Istanbul has become a dynamic human agglomeration with multicultural dimensions not due to the ethnicity and religious affinity but due to the diverse origins. Its rapidly changing social structure affects the physical appearance, the functional, geographical and aesthetic dimensions (Yenen, Önder, 1998).

Istanbul is an old city whose long history has produced an interesting spatial development. It was a vigorous, core-dominated metropolis until well into the 1950s, with a very limited suburban development in the periphery with this expanded use of the automobile and construction of bridges over the Bosphorus, however, the suburbs, in typical fashion, were pushed farther out. In the 1960s, the majority of jobs were concentrated in the core of the city. Following the expansion of the city in the 1970s, however, a new spatial structure has been emerging in

Istanbul: one in which population and employment are increasingly decentralized in relation to the CBD which is historical core of the city at the same time. In Istanbul's CBD, external pressures to expand are greater than internal growth pressures. The transformation from traditional markets to international markets contained the seeds of spatial needs (Dökmeci, Berköz, 1994).

By the 1980s, subcentre economic life began to increase in vitality in Istanbul. Retail trade increased, initially as retailers overcame their reluctance to decentralize their stores and began to serve the booming subcenters directly. In the 1980s, enclosed mall shopping centers started to develop in the subcenters, influenced by the big covered bazaars in the old city center. In the 1990s, a new era has been launched: instead of cautiously following the decentralizing population, retail traders began to leapfrog ahead of the peripheral frontier and to locate strategically in the pace-setting new mega-malls at highly accessible sites in new highway corridors near the metropolitan fringes (Dökmeci, Berköz, 1994).

In some cases, the new centers of the periphery took the form of suburban highway corridors, dominated by linear belts of high-rise office structures and residential buildings (Kerimoglu, 2002).

Istanbul Metropolitan Area, which acquired a polycentric structure especially after 1990s, contains many subcenters within the Central Business District and various subcentre areas with a variety of characteristics.

Hotels were mostly concentrated in or near the CBD until the 1950s. Later, hotels started to decentralize as a result of the polycentric development of the city and to take advantage of the amenities along the sea coast and Bosphorous (Dökmeci, Balta, 1999).

Another area of restructuring during the 1990s expressed itself in the construction of high-rise office buildings, reflecting an expected increase in international business activities in Istanbul. The international economic and political restructuring stimulated the demand for modern office space and also for hotels (Dökmeci, Balta, 1999).

Development of Business Services in Istanbul

At the beginning of the 1980s Eminönü still maintained its status and function as the most important core of the CBD. According to the 1980 census of industry and workplaces, 25% of wholesale and retail establishment were in Istanbul province, 18% the establishments in other service fields and 29.6% of small scale manufacturing enterprises were located in Eminönü. The percentage of concentration was even higher in wholesale trade activities, with 72% located in

Eminönü. The percentage of wholesale trade in the textile and clothing industries located in Eminönü was as high as 92% (Tekeli, 1994).

The locational differentiation in the CBD stimulated by tourist activities appeared around Sultanahmet. Especially young tourists with limited pocket money from various western countries created a demand for a variety of services in this area.

In 1980, 11.6% of the total wholesale and retail commercial establishments in Istanbul province, 10.7% of the service establishments excluding restaurants, cafés and hotels and 18% of hotels and other similar accommodations were located in the second most important section of the CBD, namely Karaköy-Beyoğlu. The share accounted for by small-scale industrial establishments was 14.2% in this centre, and the concentration of financial services was as high as 76%. The concentration of cinemas and of other entertainment in the service sector was also high, its share being 42% (Tekeli, 1994).

The extension of the CBD along Mecidiyeköy, Gayrettepe and Büyükdere Avenues began to specialize in insurance companies and as a location for the central offices of foreign banks, large holdings and multinational companies. Thus the most important centers of control in the CBD became concentrated here. The high accessibility of this area for high income car owning groups via the Bosphorus Bridge and its belt-ways contributed to its rapid development.

According to the 1980 census of industrial establishments and workplaces, 7.70% of the wholesale and retail establishments in Istanbul province, 9.20% of establishments in the service sector, 7.6% of restaurants, coffee houses, pastry shops and other similar accommodations and 7.16% of small scale manufactures were located in Şişli district. If only the share of wholesale trade is calculated, this ratio decreases to 4.4%. In 1985 the share accounted by wholesale firms rose to 7.4% and employment in these firms rose to 14.3% while the share of employment in small-scale manufacturing firms also rose to 9.4% (Tekeli, 1994).

The branch of the CBD which in the previous period had spread out from Karaköy to Kabataş joined Beşiktaş. From Beşiktaş it extended up to Zincirlikuyu and the Büyükdere Road over Barbaros Bouevard and joined the new CBD there. Within the context of this development Beşiktaş still maintained its secondary centre status providing goods and services to its immediate vicinity. The share of Beşiktaş involved in wholesale trade rose form 0.5% in 1980 to only 1% in 1985 (Tekeli, 1994).

Hotel construction with international service accommodation which had begun during the previous period by the construction of the Hilton and Divan Hotels on the edge of the Taksim Square next to Dolmabahçe Park, continued. The Shareton Hotel was erected on the site of the former Taksim casino, the intercontinental in Taksim Square, Maçka Hotel on the edge of the park and the Etap Hotel in Tepebaşı (Tekeli, 1994).

The CBD was also expanding on the Asian side. According to the 1980 census of industrial establishments and workplaces, 4.9% of the establishments in the wholesale and retail sectors were located in Üsküdar and 8.5% in Kadıköy. In service sector the ratios were 4.7% in Usküdar and 21.1% in Kadıköy. Out of all existing small industrial establishments in the city 3% were in Usküdar and 4.7% in Kadıköy. In 1985 the shared accounted for by Usküdar in terms of wholesale trade establishments increased to 1.1% and that of Kadıköy to 3.1% (Tekeli, 1994).

When we come to 2000s Kadıköy appears as having the highest service sector employment with 9,64% within the Istanbul Metropolitan Area, Üsküdar (6,5%) and Küçükçekmece have the highest number of service sector employment, after Kadiköy (DIE, 2000).

Table 1. Distribution of service employment by districts

District	1990 (%)	2000 (%)
Beşiktaş	3.9	3.4
Beyoğlu	3.5	2.6
Eminönü	1.8	0.9
Kadıköy	11.5	9.6
Şişli	4.2	3.9
Üsküdar	6.5	6.5

DIE, 2000

It is significant that districts where service sector employment has higher values are not intensified in the Central Business District. As a matter of fact Eminönü, which is within the traditional CBD, has only got a mere 0,98% service sector employment. Yet, CBD shows itself clearly when distribution of producer services is examined.

According to service sector employment numbers of years 1990 and 2000 Bakırköy steps ahead in the European Side of Istanbul. Gaziosmanpaşa in the European Side and Ümraniye in the Anatolian Side have the highest rate of increase in the service sector (IMP, 2005).

Of the service firms, 61% in Beşiktaş, 55% in Beyoğlu, 67% in Kadıköy, 70% in Üsküdar and 70% in Şişli have been founded between years 1996-2000. The rates for years 1925-85 are 18% in Beyoğlu, 7% in Kadıköy, 6% in Üsküdar, 9% in Şişli, 15% in Eminönü and 5% for the districts in the periphery of the Metropolitan Area. These rates provide ideas about new central business areas especially after 1990s.

Table 2. Distribution of service firms by districts

rank	District	Service firm (%)
1	Kadıköy	10.77
2	Şişli	8.50
3	Eminönü	7.08
4	Beşiktaş	4.90
6	Beyoğlu	4.68

ITO, 2004

CONCENTRATION OF BUSINESS CLUSTERS IN ISTANBUL

Istanbul Metropolitan Area showed important spatial changes in terms of location of business services after 1970s and 1980s. As local firms extended their international contacts their demand for larger and spacious office spaces could not be covered within the traditional center and firms started to locate new places out of the center.

With the construction of Bosphourus Bridge and highways central functions started to be formed in the Taksim, Şişli, Zincirlikuyu direction and Beşiktaş-Barbaros Boulevard. Traditional centers of the city Fatih, Eminönü and Beyoğlu continued to play their role as the traditional centers of the city. In the 1980s Eminönü acted as the primary center of the wholesale and retail commerce, small scale production and other services, after construction of bridges and highways, traffic flows in Taksim, Şişli, Mecidiyeköy and Büyükdere Avenue increased and residences in Rumeli Avenue and Teşvikiye began to be transformed into offices and shops. While Büyükdere Avenue up to Maslak is filled with business and shopping malls at the end of 1980s and in the beginning of 1990s, Tourism Encouragment Law significantly helped this process to develop.

With the formation of speculative real estate markets commercial investments in the real estate markets increased and business and shopping center, plazas and luxury hotels are constructed after 1980. There has been a transformation from national real estate market to independent international real estate market. Shopping malls are constructed after 1994. At the end of 1990s Maslak and Büyükdere became favorite locations for banks whereas insurance companies are located in Üsküdar and Altunizade (IMP, 2005).

Between 1985 and 2005 producer service firms mostly located in Şişli. In the same period number of firms located in Beyoğlu and Eminönü decreased whereas there is a sharp increase in the number of firms located in Beşiktaş. In the Anatolian side of the Bosphorous producer service companies in Kadıköy increased more than 50%. (Map 1)(ITO, 2004)

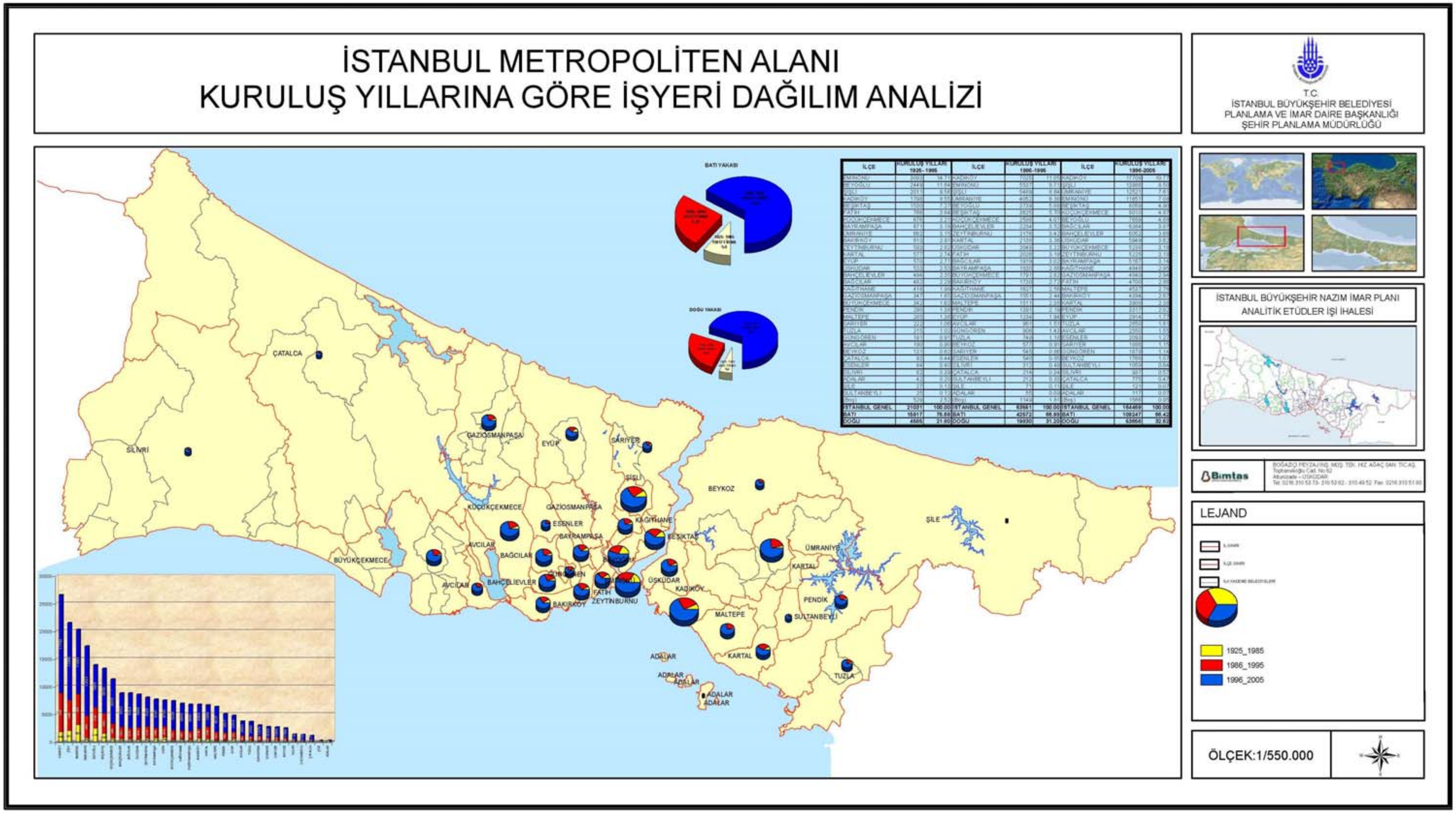
Eminönü, Beyoğlu and Şişli have priority as locations for companies before 1985. After 1985 Kadıköy and Ümraniye came to the fore together with these districts. There are also significant concentrations in Ümraniye, Küçükçekmece, Bahçelievler and Bağcılar. Together with this it is observed that firms that are not located in the periphery change this attitude and begin to opt for these areas. (Map 2) (ITO, ISO, 2004, 2005)

While European Side has a share of 67% in İstanbul in general, Kadıköy and Şişli together have a share as high as 15%.

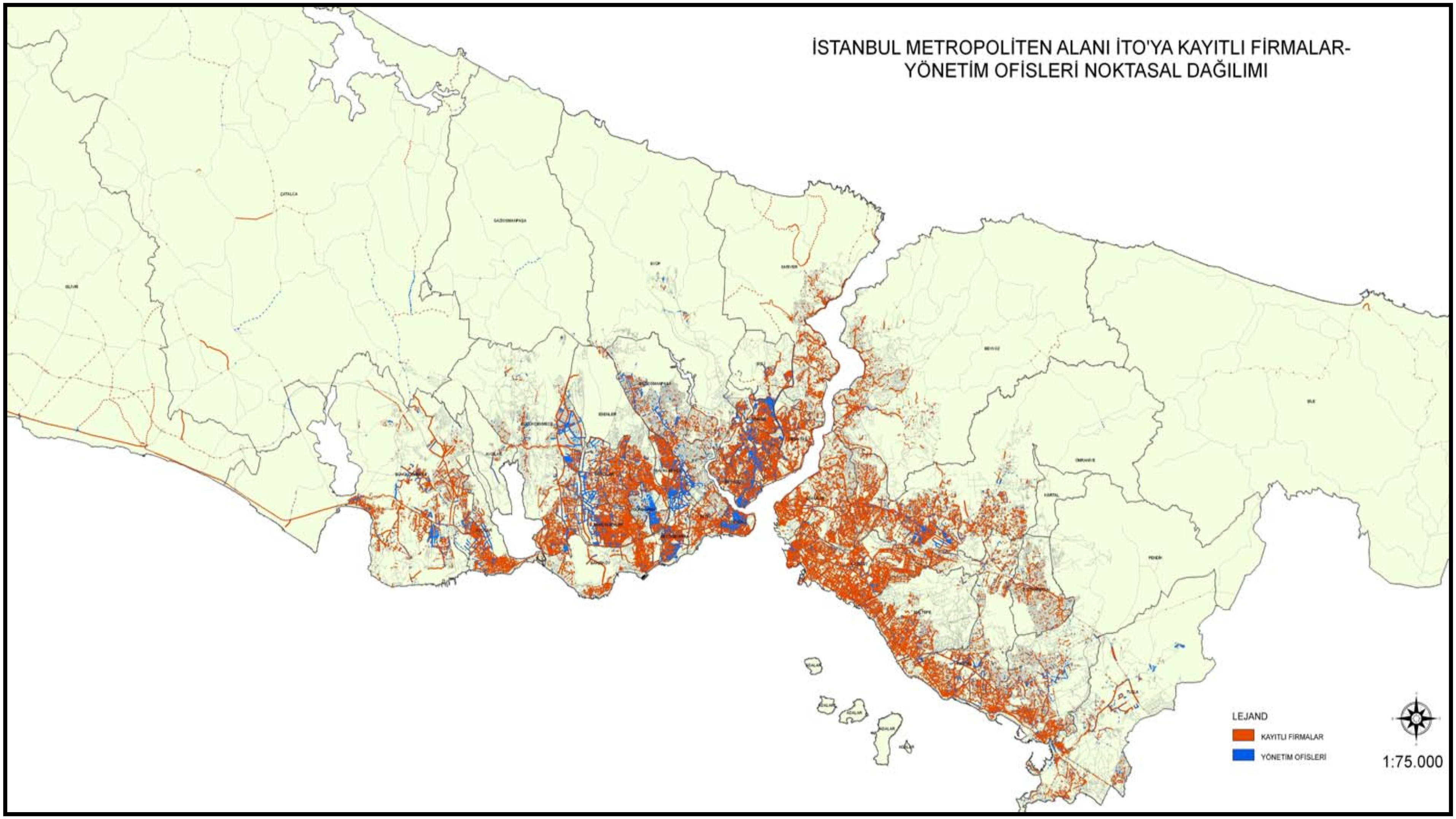
It can be argued that Istanbul Metropolitan Area producer services prefer to locate in the Central Business District. Kadıköy, Şişli, Beşiktaş and Beyoğlu, which occupy the first four place according to number of firms, together have a share of 50% within Istanbul Metropolitan Area (IMP, 2005).

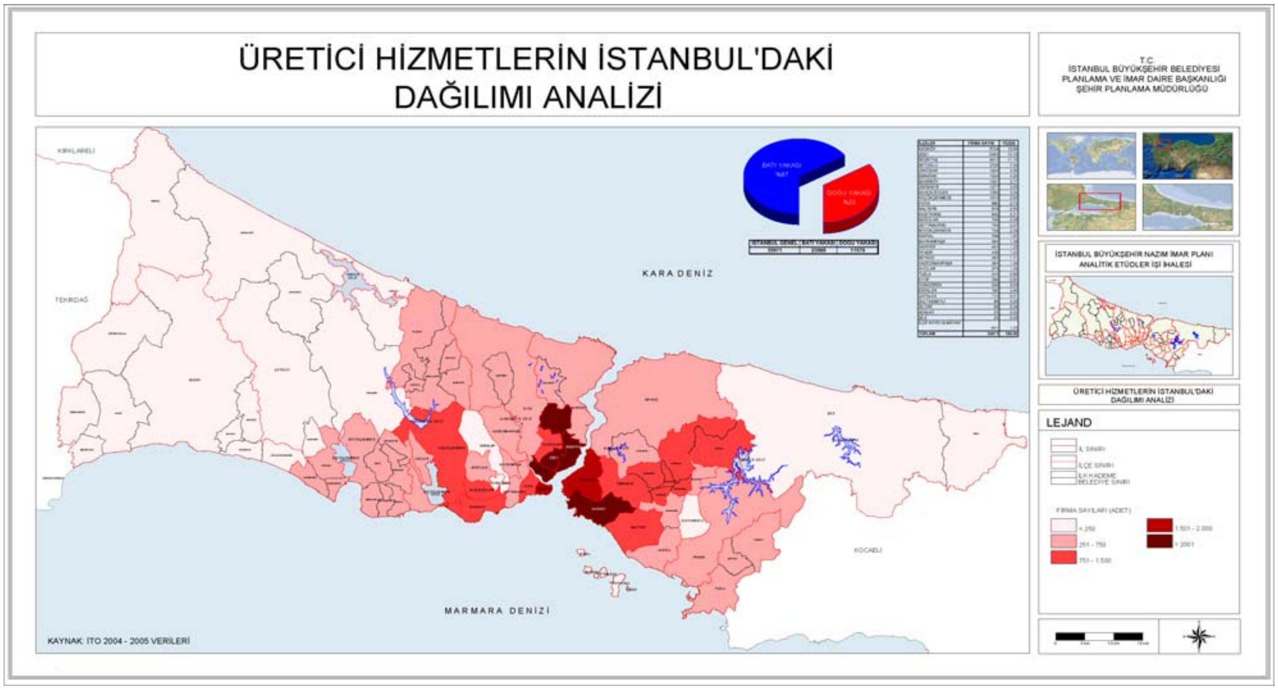
When we look at general distribution of personal services within Istanbul Metropolitan Area European Side draws attention with a share of 69%. In general Kadıköy catches attention with a share of 14,21% of personal services for Istanbul. Districts with highest shares after Kadıköy are Eminönü, Beyoğlu, Şişli and Beşiktaş, all within the Central Business District. In the districts that are out of the defined area the share of personal services are similar to each other and significantly lower than CBD districts. Kadıköy, Şişli, Beşiktaş, Beyoğlu and Eminönü, which occupy the first five place according to number of firms, together have a significant share of 53% within Istanbul Metropolitan Area (IMP, 2005).

Map 1. Spatial distribution of service firms by the years of establishment



Map 2. Spatial distribution of service firms and head offices of the manufacturing industry





Map 3. Spatial distribution of producer service firms in Istanbul Metropolitan Area by districts (ITO, 2004, 2005)

TOURISM DEVELOPMENT IN ISTANBUL AND DEVELOPMENT OF HOTELS

Turkey is a special location in the world with regard to its cultural inheritance while Istanbul is its major city in relation with international connections. The existing potential of Turkey and Istanbul’s historical background going beyond thousands of years and containing so many cultures has not obtained the desired share from the global tourism market and therefore the development of the tourism function that is deemed as the most suitable tool for the promotion of both Turkey and Istanbul in the world has a great importance.

Table 3. Number of arrivals to Turkey and Istanbul by years

Years	Turkey	Istanbul	share(%)
1995	7,726,886	2,006,413	26
1996	8,614,085	2,442,721	28
1997	9,738,000	2,505,752	26
1998	9,752,000	2,356,800	24
1999	7,487,385	1,737,287	23
2000	10,349,461	2,349,500	23
2001	11,569,950	2,510,763	22
2002	13,256,028	2,705,848	20
2003	14,029,558	3,148,266	21
2004	17,517,610	3,473,185	21
2005	21, 122, 798	4, 848, 680	23

Ministry of culture and tourism

Development of hotels

Until the mid-19th century, there were no hotels but auberges with 10-15 beds to serve foreign visitors. Construction of the European-style high quality hotels started at the end of the first-half of the 19th century as a matter of necessity due to the increased trade and political relationships with European countries, especially in the European Quarter (Beyoglu) and the Bosphorous villages where foreigners used to live (Dökmeci, Ciracı, 1988-1990).

According to a survey made in 1938, there were only 22 hotels in Istanbul. Since 1955, the number of hotels increased in correlation with the growth of the number of tourists and international business relations of Istanbul. By 1995 there had been a rapid increase in the number of hotels reaching 740 (Dökmeci, Balta, 1999).

Table 4. Development of the number of hotels and beds*

year	Number of hotels	Number of beds
1976	685	37633
1995	740	61469
2005	995	98982

Dökmeci, Balta, 1999, Turizm il müd, 2005

* includes all establishments. Accommodation establishments registered by the Ministry: These are facilities that fulfilled the requirements of the Ministry and that are still operating. Investment Licenced Accommodation Establishments constitute the potential capacity for accommodation. In addition to these there are also Municipality Licenced Accommodation Establishments.

The first hotels founded in Istanbul were located near the Sirkeci Railway Station after the Station was opened in 1890 in the Historical Peninsula to serve to the entire Istanbul. In addition to the facilities where the merchants visiting Istanbul for commercial purposes accommodated, there were very poor quality pensions where the low class guest workers accommodated. Within the period, the Peninsula ceased to become a residential area and became a trade center and the merchants visiting to the Historical Peninsula increased in number and the hotels thereby continued their development around the railway station (YTU, 1995).

Furthermore, because of its historical and archaeological resources, the Peninsula also accommodates tourism, accommodation, tourist service units etc. (agencies, information offices, hotels, pensions, restaurants, cafés, bars, night clubs etc.). The number of hotels is 781 in 2001. 347 hotels were in 1976, 505 hotels were in 1995 (Kerimoglu, 2002).

In order to encourage tourism construction of new hotels on the Bosphorous, in the periphery and in the CBD was considered. At that time, though the lack of necessary capital combined with the higher returns from building offices and modern apartment buildings for investors discouraged the construction of hotels in Istanbul. In addition, price control made it more difficult to invest in the hotel industry (Dökmeci, Balta, 1999).

The first attempt to build a hotel according to international standards was made by the Hilton in 1955 as a co-operative venture between foreign and local capital. The Hilton Hotel developed a site between the Beyoglu and Taksim, which is located along the radial road which connects the old and the new CBD, near the old CBD (Beyoglu) which contains extensive shopping and entertainment facilities and with a beautiful view of the Bosphorous (Dökmeci, Balta, 1999).

While the percentage of hotels increased in the Eminonu-Beyoglu from 58.3% in 1976 to 63.4% in 1995 and in the Besiktas, Kadikoy, Sisli, Uskudar, Zeytinburnu from 24.2 to 28.8%, it decreased in the other areas (have more distance from the CBD) from 17.6 to 7.8%. The growth of tourism in the 1980s and 1990s encouraged the construction of small hotels in the old CBD (Dökmeci, Balta, 1999).

The growth in the number of hotels in the Eminonu-Beyoglu illustrates the restructuring of this area according to the service sector needs of the new CBD in Istanbul, although population growth in the surroundings areas surpassed the other zones, and much of the zone possessed unique natural beauty, the rate of growth of hotels trailed that in the other areas due to its slower development of business activities and the building restrictions in force in the area for natural preservation. However, there is some hotel construction in the eastern and western part of

Istanbul, along the Marmara Sea coast. Many hotels were built as part of the office, shopping centre and marina complexes or part of the World Trade Centre and exhibition facilities near Istanbul's airport. Further some of shoreline hotels were built in a post-modern style which recreates the atmosphere of Istanbul's historical sites (Dökmeci, Balta, 1999).

While percentage of rooms in the Eminonu-Beyoglu decrease from 57.5% in 1976 to 55.4% in 1995 and in the other areas (have more distance from the CBD) from 13.6 to 11.3, it increased in the Besiktas, Kadikoy, Sisli, Uskudar, Zeytinburnu from 28.8 to 33.3%. This trend indicates the construction of larger hotels in the new CBD of Istanbul than the old CBD. It illustrates the slower decentralisation of hotel rooms than that of other services such as banks, insurance, real estate, advertisement companies, which generally moved to the new CBD (Dökmeci, Berköz, 1994).

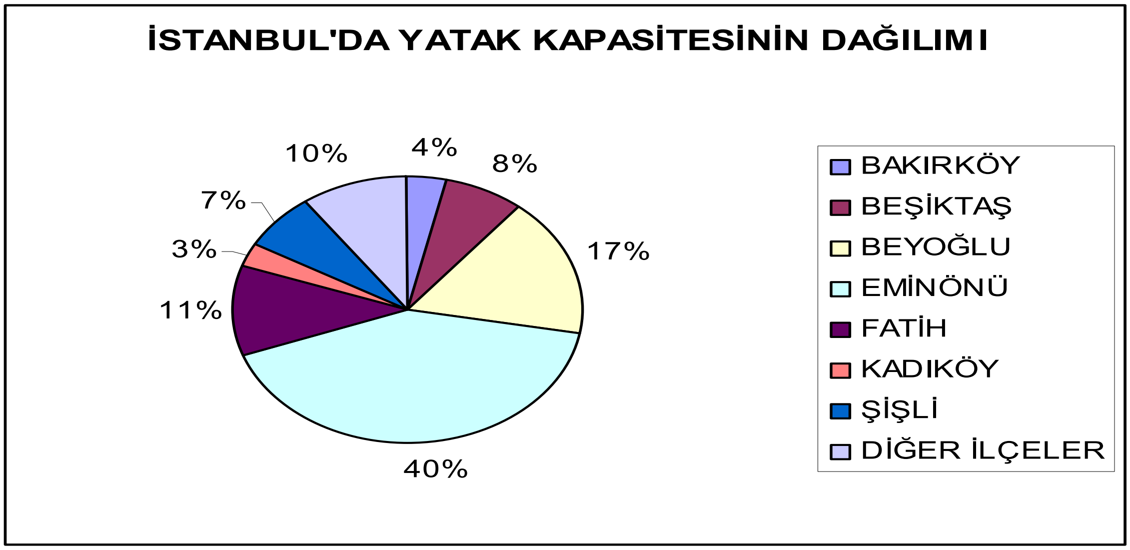
While the percentage of beds in the Eminonu-Beyoglu decrease from 55.2% in 1976 to 54.6% in 1995 and in the other areas (have more distance from the CBD) from 14.4 to 11.6, it increased in the Besiktas, Kadikoy, Sisli, Uskudar, Zeytinburnu from 30.4 to 33.8%. The growth of beds in the Besiktas, Kadikoy, Sisli, Uskudar, Zeytinburnu has been able to meet the demand created by new CBD development in this areas (Dökmeci, Balta, 1999).

SPATIAL DISTRUBUTION OF HOTELS

In Istanbul there are 995 accommodation establishments with a bed capacity of 98.982 in total. When we examine the distribution of bed capacity according to its types it is seen that 4 and 5 star hotels (38%) and Municipality Licenced Accommodation Establishments (37%) have the first two biggest shares. This situation points to a dual structure in the sector that is composed of high and low quality accommodation facilities. 2 and 3 star hotels that lay between these two poles have a share of 20% (IMP, 2005).

94% of the total bed capacity is in the European side. There are three regions where bed capacity is concentrated in the European side. According to this 40% of Istanbul's total bed capacity is located in Eminönü, which is the historical core of the city. Eminönü is followed by Beyoğlu (17%) and Fatih (11%) (Istanbul Turizm il Müd., 2005).

Figure 1. Distribution of bed capacity in Istanbul by districts



(Istanbul Turizm il Müd, 2005)

28 5 star hotels are predominantly located in the Beşiktaş, Şişli and Beyoğlu direction. Beşiktaş and Şişli, each having 25% of these 5 star hotels are focal points of this concentration. 4 star hotels are dominantly located in Beyoğlu and Eminönü. In the distribution of number of beds according to districts Beyoğlu with 44% and Eminönü with 30% appear as high density areas. Majority of 3 star hotels is located in Eminönü with 51%. This concentration in the historical peninsula is accompanied by Fatih with 15%. Additionally Beyoğlu district stands out as a third focus with its share of 12%. Similar to the distribution of 3 star hotels 2 star hotels are concentrated in Eminönü (44%) and Fatih (32%). At the same time nearly half of beds in this hotel type are concentrated in Eminönü with a 45% share. Runner-up in this category is Fatih which inhabits 29% of beds and Beyoğlu with a mere amount of 7%. Accommodation establishments with special licence that can integrate with the historical texture of the city have a low proportion of 3%. 83% of 1 star hotel in terms of number of hotels and 79% in terms of number of beds are concentrated in the European side. In terms of total number of beds Eminönü has 40% of total beds, Beyoğlu has 19% and Fatih has 10%. When we look at 1-2-3 star hotels as a whole there is a huge accumulation in Eminönü, especially in Laleli which is known as the center of luggage trade in Istanbul Metropolitan Area. Eminönü is followed by Beyoğlu and Fatih (IMP, 2005).

Table 5. Hotel distrubution of Istanbul by years*

	1 star		2 star		3 star		4 star		5 star	
Districts	1995	2005	1995	2005	1995	2005	1995	2005	1995	2005
Eminönü	28	7	37	35	41	37	5	18		1
Beyoglu	2	4	10	5	14	14	4	24	2	2
Bayrampaşa		1								
Beşiktaş			1	1	2	2	2	1	4	7
Eyüp										
Fatih	8	2	12	25	10	9	2	5	3	2
Kadıköy	1	1	1	1	1	4	1	2		1
Kağıthane										
Şişli				1		2	3	3	3	7
Üsküdar	1			2		1				
Z.burnu										
Adalar										
Avcılar			1							
Bakırkoy			3	2		3	1	1	1	3
Bevler								1		
Beykoz				1						
Çatalca										
B.çekmece				1	1	1				2
K.çekmece										1
Esenler										
Gop										
Güngören					1			1		1
Kartal	1	2								
Maltepe				1				1		
Pendik				1		1				
Sarıyer	2		1	1		1			2	
Silivri		1		1	2	3			2	1
Şile			1	1		1				
total	44	18	67	79	72	79	18	57	17	28

* includes accommodation establishments registered by the Ministry.

(Dökmeci, Balta, 1999), (İstanbul Turizm il Müd., 2005)

EVALUATION

It can be argued that, in time, accommodations are located in the traditional CBD within the Istanbul Metropolitan Area. This is related with proximity of this area to the unequalled historical and cultural beauties of the Historical Peninsula on the one hand and with Eminönü being the commercial center of the commercial activity (having a share of 72% of the commercial activity according to 1980 figures) on the other. Increase of hotels in the traditional CBD of Beyoğlu is precipitated by its having entertainment, shopping and cultural facilities for long years and its modern residences, offices and commercial facilities. Scenery in both Eminönü and Beyoğlu played an important role for hotels in their decision for location. It is known that hotels locate around Beşiktaş, Şişli and Taksim after Eminönü and Beyoğlu. It is observed that hotels try to ensure proximity to the traditional CBD in terms of commercial and cultural relations by using the existing transportation infrastructure on the one hand and try to locate in places with the scenery in the centers defined as new business areas.

When spatial characteristics of Istanbul's tourism infrastructure are analyzed there observed an imbalance between Anatolian and European sides and it is seen that there are some different clusters in the metropolis. For instance, in terms of number of beds 89% of establishments with tourism licenced are located in the European side. 1,2,3 star hotels and Municipality licenced accommodation establishments are concentrated in Eminönü, 4 star hotels are clustered in Beyoğlu and 5 star facilities are concentrated in Beşiktaş and Beyoğlu.

Together with this it is observed that cultural activities that constitute the soft infrastructure of tourism in Istanbul, like theaters, cinemas and art galleries, are accumulated in the European side, especially around Beyoğlu, Şişli and Beşiktaş. In the Anatolian side, which is not as equipped as the European side in terms of fundamental components for tourism, Kadıköy is an important site of concentration for food and drink and entertainment facilities. On the European side these facilities are dominantly located in Beyoğlu, Şişli and Beşiktaş. In Eminönü, where small hotels are dominantly located, food and drink and entertainment facilities are very scarce (IMP, 2005).

Beyoğlu stands out not only with its inhabiting 17% of the total bed capacity but also with inhabiting 15% of the food and drink facilities registered by the Ministry. Yet, excessive number of cultural and art activities are what give Beyoğlu its real identity. 39% of İstanbul's cultural and art activities take place in Beyoğlu (IMP, 2005).

As having 41% of total bed capacity, Eminönü has the largest accommodation infrastructure. 18 of Istanbul's 69 museums are located in Eminönü. Consequently 38% of sight-seeing and cultural-art activities of Istanbul are massed in this area. Despite these figures, number of restaurants and entertainment facilities is nearly half of Beyoğlu (IMP, 2005).

CONCLUSION

The tourist attraction of the old center, with its world famous historical buildings, is not the only reason for the concentration of hotels; also the old center is still an important retail center not only for the city itself and the country but also for the neighboring countries for luggage trade.
The policies of the 1980's which integrated the modern international business with tourism have been the main factor in arriving at development decisions. In contrast to the application of projects for modest hotel complexes within the Historical Peninsula, there are many projects, especially after the 1990 which are in the process of implementation in accordance with the Central Business and Tourism Areas. Liberalization period, which has started especially after 1980s, lead to increased international business connections and in concomitant with this number of congress and fair organizations soared. This in turn created a shortage of high quality hotels.
In the period between 1976 and 1995 there is an increase in the number of hotels located in the traditional CBD and its close vicinity while it is virtually non-existent in the areas far from CBD. In the same period there observed a decrease of bed capacity in Eminönü and Beyoğlu, while it is seen that in Şişli and Beşiktaş, both defined as new business areas and take place within the Istanbul Metropolitan Area CBD at present, bed capacity has increased. It is known that hotels in these areas are more developed and have modern standards. It can easily be argued that hotel decentralization developed depending on high order services and these hotels answer to high quality and capacity that is required by business circles.

It is seen that in the transition process of the Istanbul Metropolitan Area from monocentric to polycentric structure location of hotels is dependent on the development of central areas. Factors affecting location of hotels are: proximity to the center, proximity to transportation connections and scenery. Proximity to the center is not only proximity to commercial activities and commercial centers but it is also involves proximity to entertainment, shopping and cultural activities which mostly take place in CBD within Istanbul Metropolitan Area. Transportation connections are also very strong in CBD and in its close vicinity. Yet especially around airports there is a development of business centers independent from CBD and hotels begin to develop in these areas.

An important point in this respect is that Şişli and Beşiktaş within the Istanbul Metropolitan Area, where high order services located, have 50% of 5 star hotels in Istanbul. According to this it can easily be argued that hotel development, especially in terms of quality, occurred in new business areas where producer services are located. Low quality hotels mainly stayed in the traditional center. At this point it should be noted that traditional center has a special tourism facilities and infrastructure. This center has been largely used by international visitors visiting Istanbul for leisure whereas facilities in new business areas are mainly used by international visitors visiting Istanbul for business purposes. Increase in the number of 5 star hotels in new business areas show that hotel development is closely and directly related to the development of new business areas.

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