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Between Victimhood and Participation: Young People's Experiences of Gentrification in Berlin and Shanghai

Yutong Bai

Emma Willard School, Troy, USA
ybai@emmawillard.org

Abstract. Gentrification research has focused mostly on structural capital and policy shifts, without paying sufficient attention to the lived experiences of young people. This study relies on 30 semi-structured interviews (15 in Shanghai and 15 in Berlin) in order to answer two main questions: What are the socioeconomic impacts of gentrification faced by young people in these cities, and are young people victims, agents or both of the process of gentrification? The interviews suggest that youth is a diverse and contradictory category of actors. Participants in both cities commonly reported higher housing prices and the development of commercial facilities targeting youth; nevertheless, processes of displacement and reactions differ dramatically between the cities under study. In Berlin, several economically advantaged interviewees described being involved in gentrification of residential scale in fifth-wave financialized housing market conditions. In Shanghai, youth plays a role through consumption, and the main factor of urban change is the state-led redevelopment. Aalbers' concept of fifth-wave gentrification proves partially useful but needs modification for the state-driven, non-Western city settings.

Keywords: fifth-wave gentrification, youth, lived experience, state-led gentrification, comparative urbanism

1. Introduction

Gentrification transforms demographics, housing markets, and local businesses of global cities [1]. While the extant literature focuses on macro-analysis of investment and planning aspects of real estate, personal experiences of young residents are neglected [2]. Young people are portrayed as either creators or victims of the gentrification process in popular discourse. There are very few comparative studies based on empirical evidence that investigate such a dual identity of youth in different cities with distinct institutional settings.

The paper chooses Berlin and Shanghai as cities for comparative analysis. Berlin, after its reunification, serves as an example of financialized gentrification of the fifth wave [3]. Urban regeneration in Shanghai is often mentioned in connection with state-sponsored gentrification due to land-based development [4]. Political discourse is deliberately not addressed in this paper and the focus is made on the personal experiences of young people living in these cities. The choice of Berlin and Shanghai for the fieldwork was also informed by the researcher's personal experience and interest in the influence of gentrification on housing opportunities for young people.

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There are two research questions (RQs) for this paper:

RQ1: What socio-economic effects of gentrification do young people face in Berlin and Shanghai?

RQ2: To what extent are young people victims, agents, or both of the gentrification process in different urban institutional settings?

The paper consists of an introduction followed by theoretical framework, methodology, results, discussion and conclusion.

2. Theoretical framework

Gentrification is defined by the Cambridge Advanced Learner's Dictionary as "the process by which a place, especially part of a city, changes from being a poor area to a richer one, where people from a higher social class live" [5]. This traditional definition focuses on the observable shift in social class. However, the academic discourse offers a more subtle understanding of direct displacement, physical displacement, and exclusionary displacement, where the residents are not physically displaced but lose access to local amenities [6]. This distinction helps to understand the different outcomes reported by interview participants from Shanghai and Berlin.

The recent wave of gentrification (fifth wave), which followed 2010, is described by Aalbers [1] with the development of the conceptual framework based on the previous wave model suggested by Hackworth and Smith [7]. It includes a symbiosis between state power, housing financialization, corporatization of the housing market, and rise of short-term rental platforms and state-led neighborhood upgrading as the norm. It is noteworthy that this theoretical framework is developed in the North-American and European context, which poses a question about the applicability to other cities with another system of land property.

The debate still continues concerning the large-scale renewal of inner Shanghai. He [4] uses the term state-sponsored gentrification to refer to the redevelopment that happens through municipal land-leasing, displacement of original population and attracting the higher-income population groups. Some scholars view mass demolition-based resettlement as a separate type of redevelopment rather than gentrification, while some researchers recognize exclusionary displacement with the commercial interests for heritage districts like Xintiandi and Tianzifang [8, 9]. These debates help to explain divergent views of the interviewees from Shanghai.

In gentrification studies, youth is stereotypically depicted either as the agent of neighborhood change and belonging to the creative class or vulnerable victims of displacement [10]. Reflexive complicity is the idea of contradictory position where young consumers become agents of creation of trendy gentrified spaces and face higher cost of living due to changes they are creating [10]. This research treats youth as an internally stratified category, splitting economically comfortable young adults from disadvantaged students and youth. Following the recommendations of Robinson [11], this comparative research avoids mechanical application of the Western theories; instead, it looks for both similarities and differences.

3. Methodology

The research utilizes qualitative semi-structured interviews which are an appropriate way to study subjective perceptions, coping mechanisms, and emotional aspects of urban change which cannot be studied through quantitative housing data [2]. An interview protocol allows exploring the perspectives of youth on gentrification, cost of living challenges, and their position as participants of neighbourhood change, thus providing an original empirical contribution to this topic. Berlin and

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Shanghai were selected for comparison due to the fact that they both witness urban change due to gentrification processes but have different housing institutions: while Berlin has a rental system with social housing and tenant protection regulations based on fifth wave financing, Shanghai urban transformation is based on the municipal land redevelopment. Comparison in this research concentrates on resident experience without institutional political analysis and does not seek to develop generalizable conclusions regarding all global cities.

In total, thirty participants were selected, 15 in Shanghai and 15 in Berlin. Among Shanghai respondents, 8 perceived gentrification to be occurring, 4 believed there was no gentrification and 3 had an ambivalent view on it. As to Berlin, 12 witnesses of gentrification and 3 respondents denying gentrification were found (Table B1). The initial target sample of the study was young people aged 15–24 years old, but the sampling bias became apparent during fieldwork. Respondents from Shanghai were recruited through personal social network and mostly aged between 17–19 years with similar socio-economic background. In Berlin, street intercept sampling was used, numerous youths refused to give interviews while older participants agreed, and therefore sampling resulted in a wider range of ages and income.

Each interview was between 10 and 25 minutes long. A common set of questions was used to ask about perceptions of gentrification, effects on housing, youths' experiences, and role of youth in neighborhood change process; additional questions were asked depending on situation and flow of conversation. All interviews were recorded by sound recorder with consent of the interviewee except short street interviews, which were noted manually in detail. Each participant is anonymized in the analysis with use of identifier like Interviewee S-02 (Shanghai). All interviews were transcribed and analyzed with use of inductive thematic analysis leading to generation of themes related to perceptions of gentrification, housing affordability, change of retail, youths as victims/agents of change and coping mechanisms. Interviewees' subjective accounts were compared with secondary literature on the issue. Analytical differentiation between subjective perspective of interviewees and objective statistical reality is important. Notable limitations include small sample size and sampling bias limiting statistical generalization and dependence on subjective perception which might be inconsistent with statistics of housing market.

4. Interpretation results

The participants in both cities had diverse views about whether gentrification was happening or not. A participant in Shanghai explained "There's definitely gentrification, I know people who even have to move to Jiangsu for affordable housing. But the thing is, they work in Shanghai, so they have to drive to Shanghai every morning, which is not a short drive." (Interviewee S-02, Shanghai). This account does not describe typical gentrification as defined in the literature where people get displaced from their neighbourhood due to rising rents. Instead, it shows a pattern reported by this participant in Shanghai, whereby people continue working in the city centre while residing outside the municipal boundaries because of cheaper housing. Other Shanghai participants viewed gentrification as an irrelevant tool of analysis since they consider class-based residential segregation as an inherent feature of city growth, not the product of displacement. Additionally, they emphasized that the recognition of gentrification greatly depends on individual housing experiences and exposure to neighbourhood changes. A participant from Berlin offered a generational view: "There's a massive amount of gentrification … where I used to spend my youth … everybody moved out. They had to because it was too expensive, taken over by more affluent people." (Interviewee B-01, Berlin). It shows the erosion of local community from his youth to the present day demographic transformations. However, one respondent noted "What's happening now in Berlin that most of

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people trying to keep their old contracts. Like maybe 20 years old, 25 years old to keep the price same and, like, very cheap. But they try to find people, mostly students or somebody who comes for half and a year, and then rent for very high price." (Interviewee B-03, Berlin). The areas of Kreuzberg with a high proportion of social housing produced sceptical attitudes about gentrification because of the paradox of Berlin tenant protection policy – long-time inhabitants enjoy favourable terms of rent agreements while informal sub-letting creates housing insecurity for newcomers.

Participants in both cities described housing as becoming more expensive and less affordable. In Shanghai, a participant noted "I keep wondering why places in good areas got so expensive so quickly. Even groceries feel more expensive than before, which makes city life harder." (Interviewee S-09, Shanghai). Apart from growing rent, the phenomenon involves exclusionary displacement in the form of increased costs of goods which reduces the quality of life for those who were not displaced physically. Shanghai youths mainly coped with the situation through apartment sharing, reduction in size of dwelling space, or commuting to Suzhou or Jiangsu. Berlin participants indicated dramatic price increases in the housing market during 2010–2020, along with lack of affordable housing for the youth studying in the city. One participant summarized "For the younger ones, it's actually super difficult because there's no housing, there's a huge shortage of housing and there's no affordable housing. And young people are typically like in their education so they cannot afford them, so it's a huge problem, so they live much longer with their parents." (Interviewee B-01, Berlin). This citation shows the process of how gentrification impacts life course transitions of youth, postponing the transition to independence. While the protected tenants enjoyed stable costs, informal speculation about sub-letting increased the pressures for newcomers. Although housing became less affordable for the youth in both cities, the adaptive strategies were different: Shanghai youths mainly used cross-regional commuting, while Berlin partial housing protection coexisted with housing market speculation.

There appeared new commercial spaces oriented to young adults in both cities, and new cafes, bars, fashion stores became the first tangible symbolic indicators of neighbourhood change for participants. The ambiguous role of the youth as both victims and agents of gentrification is clearly seen in both interviews. In Shanghai, one participant commented "A lot of trending streets, a lot of restaurants that target younger people. I feel like they definitely make gentrification worse." (Interviewee S-04, Shanghai). This participant described consumption-driven complicity but did not identify young people as the main drivers of redevelopment; the agency happens through the consumption habits, not property investments or migration. For the majority of Shanghai youth, gentrification involved hardships rather than opportunities. One interviewee stated "Living alone in a good area or having a big apartment just isn't realistic for a lot of people anymore, so sharing places or moving into smaller homes is becoming pretty normal." (Interviewee S-07, Shanghai). It reflects the changing standards of expectations from city youth, whereby independent housing in the city centre becomes unreachable. In Berlin, by contrast: "I think the biggest change is really like in the millennial-ish, mid-30s range. Because they essentially have the money to afford these types of places." (Interviewee B-01, Berlin). Wealthy middle-aged millennials actively participate in migration into gentrified inner-city neighbourhoods. In this sample, agency was reported mainly among economically advantaged youth, while students and poor young people are not able to migrate to desirable central neighbourhoods. The interviewees from Shanghai mentioned the individual coping strategies used to survive, like apartment sharing and cross-city commuting without any examples of collective tenant organization. The Berlin participants also employed the individual strategies of survival, like getting a protected rental agreement, but interview data reflected neighbourhood social conflicts caused by the history of tenant activism in Berlin.

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5. Discussion

Split perceptions by participants regarding the process of gentrification reflect long-lasting conceptual disagreements in the field [9]. The phenomenon is inconsistent spatially in urban settings, resulting in different subjective experiences depending on individual housing situations. Aalbers' concept of fifth wave successfully helps in the analysis of financialized interaction of corporate landlords, speculation and planning in Berlin. For Shanghai, fifth wave theory can be useful in explaining commercial gentrification in historic neighborhoods, while state sponsored gentrification suggested by He [4] is more appropriate for analyzing city-wide renewal associated with state-led land redevelopment.

Similar to the arguments of Threadgold et al. [10], the interview data complicate binary oppositions of victims and agents, portraying youth as a heterogeneous group with reflexive complicity. In Shanghai and Berlin, vulnerable youth such as students and low-income workers experience gentrification mainly as victimization due to higher rental costs and limited housing choices. Meanwhile, economically comfortable young adults contribute to neighborhood change through their involvement in it: consumption-side involvement dominates in Shanghai, while in addition to this in Berlin the privileged youth shape the neighborhood through involvement in residential housing market. Even those youths that partly trigger gentrification suffer from negative everyday-cost effects of the process. Despite major differences between the institutional environment of the two cities, the interviewed participants face almost identical subjective pressures from rent increases and rising living costs, showing how structural transformations lead to similar individual outcomes. Differences between the cases are still significant: causes of neighborhood change, youth agency involved in it and the role of collective tenant response evident in Berlin but invisible in Shanghai interviews.

Most comparative studies on gentrification emphasize the importance of policy documents and quantitative datasets [7, 8]. The current study provides important lived-experience perspective with the focus on youth voices often left outside other literature, supporting the importance of subjective youth perspectives stated by Butcher and Dickens [2]. At the same time, it supports the cautionary comparative-urbanism approach to uncritical theory transfer from one global setting to another [11]; fifth-wave gentrification should not be applied as a universal framework.

6. Conclusion

Returning to research question one, the young people in Berlin and Shanghai both experienced the decrease of housing affordability, higher cost of living, and the change of commercial spaces designed for youth. Displacements experienced by the respondents included the gradual exclusionary displacement and direct displacement among the young people in Berlin and mainly the displacement due to cross-municipal commuting in Shanghai. As for research question two, young people do not represent a homogenous group of gentrification victims or agents. Youth is a heterogenous group stratified in terms of economic resources, with vulnerable youth being victims, whereas economically advantaged young adults become partial agents of gentrification by means of consumption in Shanghai and by means of both consumption and residential migration in Berlin. Those young adults who participate in the process of gentrification suffer from its socio-economic consequences anyway, and the reflexive complicity takes place.

The important result obtained by this study is the similar experience of cost-of-living burden despite quite different institutional reasons for the urban change process. The main difference is related to youth agency and ways of response: while the interview data about the neighborhood

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social conflicts in Berlin relate to the context of tenants' movement, there are only individual strategies of coping in Shanghai. The study suggests that gentrification is a phenomenon which goes beyond the story of capital and policies on a macro-level and becomes the reality for the urban youth, with the simple dichotomy of victims and agents obscuring socio-economic stratifications within the youth.

The small and potentially biased sample limits the generalizability of the results for all young people in Berlin and Shanghai based on subjective experience of the participants. For future research, one can develop a socioeconomically diverse sample, including young migrants; combine qualitative lived experience interview and housing market statistics for triangulation; expand the youth-focused comparative approach for other global cities; and conduct research on low-income and immigrant young adults. Taking into account the fact that urban planning and urban renewal programs tend to focus on physical regeneration and economic development, it is necessary to integrate youth experience and housing security concerns into urban transformation decisions in order to prevent exclusionary gentrification effects.

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Appendix

Appendix A. Semi-structured interview questions

1. Do you think gentrification is happening in this city?
2. How has gentrification impacted people living here, especially young people?
3. In what ways do young people shape or influence changes in local neighbourhoods?
4. How are young people coping with changes to housing and local living costs?
5. Follow-up open-ended questions according to participant responses.

Appendix B. Perception summary table

Table B1. Perceptions of gentrification by city

	Yes, gentrification observed	No gentrification observed	Ambivalent / neutral
Shanghai	8	4	3
Berlin	12	3	0