

# **Reconfiguring Urban Landscapes: Creative Economies, Circular Processes, and the Tourism-Gentrification Nexus**

João Romão  
Yasuda Women's University (Hiroshima, Japan)

## **Introduction: objective, contribution method and approach**

This paper provides a comprehensive theoretical exploration of the intersection between urban tourism, circular economic practices, and gentrification within contemporary creative economies. It argues that tourism, particularly through boutique hotels (or other forms of reusing existing buildings for tourism accommodation) and short-term rentals, may act as both a driver of urban regeneration and a contributor to socio-economic polarization through gentrification processes and displacement of local populations. The study aims to bridge gaps in the debate on sustainable urban development by highlighting tensions between circular economy principles and their social impacts, emphasizing the need for urban policies that promote socially inclusive tourism practices.

This theoretical perspective synthesizes insights from literature on creative economies, circular economy frameworks, rent gap theory, and urban tourism. Drawing from Scott's (2017) concept of cognitive capitalism or Smith's (1987) rent gap theory, it conceptualizes urban transformations driven by tourism and cultural economies. The discussion centers on the impacts of tourism-oriented reuse of urban spaces, the commodification of local cultures within contemporary creative economies (OECD 2022), and the complex relationship between economic regeneration and social displacement (Romão 2025).

## **Conceptual framework: key contextual elements and tensions:**

### ***1. Creative economies and urban tourism development***

Creative economies, driven by symbolic value creation and cultural commodification, restructure urban spaces by clustering cultural industries that attract investment and high-income consumers. This transformation drives urban tourism development, exemplified by boutique hotels that merge cultural heritage with circular economy principles. Such tourism models are embedded in the creative economy's focus on place-based, experiential services that contribute to local identity and urban vibrancy.

### ***2. Circular economy practices and tourism accommodation***

The paper explores how boutique hotels embody circular economy principles through adaptive reuse, local sourcing, and sustainable operations. Adaptive reuse, which transforms existing buildings into accommodations, reduces construction waste and preserves cultural heritage. Localized sourcing supports nearby artisans and producers, reinforcing local economic cycles. Despite these benefits, limitations such as the inability of older buildings to integrate modern sustainable technologies and the prevalence of precarious hospitality jobs expose the tensions between environmental goals and labor equity.

### ***3. The rent gap theory and tourism-driven gentrification***

Using Smith's (1987) rent gap theory, the paper discusses how tourism-induced urban renewal creates opportunities for speculative investment, displacing lower-income residents. Boutique hotels and digital short-term rental platforms widen rent gaps by inflating property values, triggering displacement and community fragmentation. Case studies in different locations illustrate how the tourism economy's reliance on place-based cultural assets intersects with urban disinvestment patterns to drive gentrification.

4. Tourism gentrification and social conflicts

Tourism gentrification (Gotham 2005) emerges from the cumulative impacts of hotels, short-term rentals, and tourism-oriented businesses that increase property values and shift neighborhood identities. Traditional local businesses are often replaced by upscale establishments catering to tourists, accelerating socio-economic exclusion. However, the paper contrasts these patterns with outcomes from less dynamic urban areas, where tourism-oriented reuse of vacant buildings has contributed to urban revitalization, such as the use of ‘alberghi diffusi’ models in smaller Italian towns.

5. Circular economy and social equity tensions

The analysis underscores a critical gap in circular economy frameworks: their frequent neglect of social outcomes. While boutique hotels align with environmental sustainability through resource efficiency and reduced construction waste, they can also drive rent increases and displacement, deepening inequality. However, although circular practices normally prioritize ecological gains, they may neglect or overlook related social conflicts. This analysis argues for a broader framework that integrates social justice into circular economy models, ensuring that sustainable tourism benefits local communities rather than displacing them.

Analysis: key discussions and insights:

The connection between these forms of accommodation, circular tourism and a broader context of the circular economy and proximity can be understood through several key interconnected aspects, summarized in Table 1 and discussed below. This table is originally published by Romão (2025), taking into account principles of proximity in circular economy proposed by Bourdin and Torre (2024) and the framework for human circular tourism defined by Nocca et al. (2023).

Table 1. Characteristics of tourism accommodations using repurposed buildings based on principles of circular economy

Econ. Geog. (Bourdin, Torre 2024)	Human circular tourism (Nocca et al. 2023)	Critical aspects
Proximity and local collaborations	Supporting local economies; Promoting small local business;	Originally independent hotels (global chains also operate in this field today); Proximity services provided by local stakeholders
Human capital and labor market	Local jobs and small business opportunities	Frequent cases of unqualified, low paid and precarious work
Resource mobilization and support	Enhancing own cultural experiences with shared community management; Assess to cultural assets; Preserving authenticity and integrity of cultural heritage and values of local communities	Local food supply and culinary traditions;
Innovation culture and knowledge sharing	Cultural and knowledge exchange and integration; aware tourists	Experiences rooted on local heritage (implying commodification and eventual adaption to the preferences of tourists)
Resource and waste management	Reducing waste, emissions and the consumption of non-renewable resources; responsible tourists	Reutilization of buildings; environmental certifications; possible energy or thermal inefficiencies

- Localized sourcing: these hotels frequently prioritize local materials, crafts, and food products, reflecting the circular economy’s focus on fostering local economic cycles. This emphasis on local sourcing reduces transportation emissions, supports small businesses, and strengthens local supply chains. Additionally, by showcasing local craftsmanship, boutique hotels enhance their cultural authenticity, aligning with a model of sustainable tourism that emphasizes economic resilience within the local community.

- Job creation: the focus on localized sourcing and the provision of place-based experiences may reinforce the potential to generate other jobs in a networks of small business. However, is is also documented that jobs in the traditional hospitality sectors are often related to relatively low salaries, long working journeys and frequent informal of precarious contractual forms, as identified in different studies (e.g: Cuccu, Royuela, Scicchitano 2024).
- Adaptive reuse: by repurposing older buildings, these hotels avoid the resource demands for new construction and increase the efficiency in resource utilization, which aligns with circular economy principles. Adaptive reuse thus enables them to operate sustainably by reducing the carbon footprint of creating new accommodation spaces, while contributing to the preservation of urban history and character. However, preserving old building may also have the negative side effect of not taking advantage of the new developments in technology, materials or design that enhance resource efficiency (for example, related to energy or water).
- Preservation of cultural heritage: these hotels often retain original architectural features, such as exposed brickwork, vintage wood, or classic facades, which serve as physical connections to the city's past. This approach supports the circular economy's emphasis on retaining value in existing assets. In doing so, boutique hotels uphold cultural and historical heritage, which appeals to travelers interested in an authentic experience. This preservation also benefits the local community by maintaining the character of the neighborhood, preventing the loss of architectural history to demolition and new construction.
- Sustainable operations: Many boutique hotels implement zero-waste programs or reduce single-use plastics, aligning with circular economy practices that aim to reduce the environmental footprint of operations. These sustainable practices appeal to environmentally conscious travelers, enhancing the hotel's reputation as a socially responsible choice. New commercial practices supported by eco-labels may stimulate the adoption of these environmental-friendly practices.

**Conclusions and implications**

The paper concludes that urban tourism within creative economies embodies a duality: it can drive urban regeneration but also exacerbate displacement and gentrification. Achieving a sustainable balance requires policies that integrate social equity into circular economy frameworks, as summarized in Figure 1 (Romão 2025):.



Fig. 1 Boutique hotels: circular economy principles and potential impact on gentrification

The main results of this discussion can be summarized as a set of evolving tensions in urban development requiring inclusive regulatory policies that overcome the limits of market regulation:

- Creative economies drive urban revitalization but contribute to socio-economic polarization.

- Boutique hotels and repurposed buildings align with circular economy goals but can accelerate gentrification.
- Tourism impacts on gentrification vary with local urban contexts, with potential for either regeneration or displacement.
- Inclusive urban policies, particularly in housing and planning, are essential for sustainable outcomes.

This paper extends the discourse on sustainable urban development by framing urban tourism within creative economies and circular practices. It advocates for urban policies that prioritize both environmental and social outcomes, recognizing that sustainable tourism must address community impacts alongside ecological concerns. This integrated approach offers a path toward urban development that is not only circular but also inclusive and equitable.

### **References:**

Bourdin S, Torre A (2024) Economic geography's contribution to understanding the circular economy. *Journal of Economic Geography*, lbae040. <https://doi.org/10.1093/jeg/lbae040>

Cuccu L, Royuela V, Scicchitano S (2024) Navigating the precarious path: Understanding the dualisation of the Italian labour market through the lens of involuntary part-time employment. *Papers in Regional Science* 103:100061

Gotham KF (2005) Tourism Gentrification: The Case of New Orleans' Vieux Carre (French Quarter). *Urban Studies* 42(7):1099–1121

Nocca F, Bosone M, De Toro P, Fusco Girard L (2023) Towards the Human Circular Tourism: Recommendations, Actions, and Multidimensional Indicators for the Tourist Category. *Sustainability* 15:1845

OECD (2022) *The Culture Fix - Creative People, Places and Industries*. OECD, Paris.

Romão J (2025) *Economic Geography of Tourism*. Springer, Berlin.

Scott AJ (2017) *The constitution of the city*. Palgrave Macmillan, Cham.

Smith N (1987) Gentrification and the Rent Gap. *Annals of the Association of American Geographers* 77(3): 462-465.