When Shah Abbas I (1587-1629) moved his capital from Qazvin to Isfahan in 1597, he found the city in a ruinous state. A mere shadow of its former glory under the Seljuks in the eleventh and twelfth centuries, it had never recovered from Timur's sack in 1387. Abbas was above all a man of action—a brilliant soldier, a skilled hunter, and ruthless to his enemies and rivals. Though barely literate, he was an astute politician and an energetic administrator. Having consolidated the military base of his empire, he set about reorganising the system of taxation and developing trade. Robert Shirley, who unofficially advised Abbas's general, Allaverd Khan, on setting up a permanent military force, described the great Shah as 'royal, wise, valiant, liberal, temperate, merciful; and an exceeding lover of justice, embracing royally other virtues as far from pride and vanity as from all unprincely sins or acts'. Nevertheless political and economic expediency came first and he forcibly moved the whole Armenian population in north-west Iran, which was being harassed by the Ottoman Turks, to the new suburb of Julfa, where he allowed them to build their own churches and where he could make full use of their abilities as merchants.

In his town-planning and architectural contribution to Isfahan, Shah Abbas was much influenced by the Timurid architecture of Herat, where he had been brought up at a time when the city, now in Afghanistan, was still the cultural centre of Islam's principal sects, to which most of Iran had been converted under the fanatic rule of his great grandfather, Shah Ismail. The Isfahan which Shah Abbas and Sheikh Bahai found was walled and roughly oval on plan. Centred on the Seljuk Maidan-i-Qadim, it was divided into four quarters by axial bazaar routes, not unlike the 'cardo' and 'decumanus' of a Roman city, which intersected at the 'maidan' and led to the principal city gates. The Maidan-i-Qadim stretched in a north-east/south-west direction, between two surviving elements of Shah Abbas's great project: the two north-south axes, the straight Chahar Bagh and the tortuous bazaar route, crossed by the east-west axis of the river. It shows the palace quarters between the new 'maidan' and the Chahar Bagh, and, conjecturally, the old Seljuk 'maidan' south of the Friday Mosque. What it does not show are the old quarters all around, the city wall and the citadel of the pre-Safavid city (these and other features are shown in the plans on pp298 and 299). Off the plan altogether is the Armenian quarter of Julfa, in an area south of the river and west of the lower Chahar Bagh which had previously been settled by other non-Muslim minorities and which now became for the first time an integral part of the city. For the area north of the river and west of the Chahar Bagh, Sheikh Bahai prepared a gridiron layout which became the basis of later development (see plan on p315).