

# Third International Seminar “The Real Estate/Financial Complex” January 13-15, 2016, Leuven, Belgium

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**Vlaamse  
overheid**

**RICHTING  
MORGEN**  
MET WETENSCHAP, TECHNOLOGIE,  
CREATIVITEIT & INNOVATIE



*This seminar is organized by the members of the Real Estate/Financial Complex (at KU Leuven/University of Leuven) and received funding from the Arenberg Doctoral School (KU Leuven), the Flemish Government and the European Research Council (ERC). For details, please visit <http://ees.kuleuven.be/refcom/>*

## Introduction

The seminar will run parallel to examinations of PhD candidates of the Real Estate/Financial Complex research group (REFCOM). The seminar includes 24 presentations that focus on different aspects of the connections of real estate, finance and the state and forms of resistance to the ongoing transformation of real estate into a financial asset.

All presenters will be asked to act as discussants. This will entail a brief intervention of no more than 3 minutes. To facilitate discussants all presenters are requested to send a paper, extended abstract or powerpoint presentation to their discussant **by January 7 at latest**.

Furthermore, we have planned a pre-seminar lecture by **Sara González** (Leeds) on January 12 at 4pm. Note that the location of this lecture is not within walking distance of the train station (see below for details).

## Seminar fee

In order to settle arrangements we ask you to transfer the seminar fee of €100 to the following bank account including the reference code. If the code is not included your fee payment will get lost in the financial administration of the University of Leuven. We would like to ask you to transfer the seminar fee before December 24.

Bank account:

IBAN: BE09 4320 0000 1157 BIC: KREDBEBB

Reference code:

400/001270133

## Pre-seminar lecture by Sara González

### Contested Cities: Urban Struggles across Europe and Latin America

Cities are contested spaces where actors in asymmetric power relations engage in struggle over different political visions of urban development, planning and life; conflict is therefore inherent to urban development. In this talk Dr. Sara González will draw on case studies from Spain, UK and Latin America to foreground how we need to understand urban social movements and grassroots urban resistance not as oppositional actors and practices but as integral actors in the making of our cities.

### Location of the lecture by Sara González

#### Adres:

Celestijnenlaan 200, building E (Geo-Instituut), 3001 Leuven

Google Map: <https://goo.gl/maps/cC8VQZXm3W22>

Public transport: take bus 2 from the Train Station or any stop along Naamsestraat (the main North-South street in the city in the direction of HEVERLEE CAMPUS and get off at the last stop. Alternatively, you could take the faster bus 616 from the Train Station and get off at the HEVERLEE CAMPUS stop. (The 616 is faster than the 2, but only goes 1/hour that time of day. After the lecture, the 616 runs 4 times/hour.)

#### Room:

01.212 (This room is one the first floor, but according to Belgian logics, this requires you to go up two flights of stairs.)



If you arrive early, you may want to take a look at the **Arenberg Castle** (centre of the map), the Architecture & Planning Department of KU Leuven.

## Location of the seminar & PhD 36-month presentations

### Adres:

Dekenstraat 2, 3000 Leuven

Name of institute: Van Den Heuvelinstituut

Google Map: <https://goo.gl/maps/JwqHhDgQzZ92>

### Rooms:

Seminar: VH1.00.41

PhD 36-months presentations: VH1.02.41



**1** Restaurant Domus (detailed map on page 6)

**2** Hotel Binnenhof (where some of you stay)

\* Some of the main sites in the Leuven city centre.

(Just off the map to the southwest is the “Groot Begijnhof” (Béguinage):

[https://en.wikipedia.org/wiki/Grand\\_Béguinage,\\_Leuven](https://en.wikipedia.org/wiki/Grand_Béguinage,_Leuven) which is also worth a visit.)

## **How to get to Leuven**

Leuven is located 12 train minutes from Brussels International Airport (2 trains/hour) and 28 train minutes (4 IC trains/hour; don't take the L or S trains) from the international train station Brussels South/Midi (TGV, Eurostar, ICE, etc.). The seminar will be located in the old city centre of Leuven, at walking distance from the train station.

Belgian rail (NMBS)

<http://www.belgianrail.be/en/Default.aspx>

Brussels Airport (Zaventem)

<http://www.brusselsairport.be/en/>

## **Budget accommodations in Leuven**

Cube hostel - 25 Euro per night

<http://www.booking.com/hotel/be/cube-hostel-leuven.html>

Hotel Mille Colonne – 50 Euro per night

<http://www.booking.com/hotel/be/mille-colonne.html>

Getaway Studios – 60 Euro per night

<http://www.booking.com/hotel/be/getaway.html>

IBIS Budget Leuven Centrum – 60 Euro per night

<http://www.booking.com/hotel/be/etap-leuven-centrum.html>

## Restaurant on January 13

### Domus

Tiensestraat 8, 3000 Leuven, België - <http://www.domusleuven.be>



See the map on page 4 on how to get to the restaurant from the seminar location.

## Seminar program

January 13				
		presenting	time	discussant
09:00-09:50	Opening	Manuel Aalbers		
10:00-12:10	Session 1	Ana Cordeiro Santos	20	Callum Ward
		Yunpeng Zhang	20	Reijer Hendrikse
		Bill Kutz	20	Mikołaj Lewicki
12:10-13:15	Lunch			
13:30-15:00	Session 2	Georgia Alexandri & Sonia Vives	25	Louis Gaudreau
		Zsuzsanna Pósfai	25	João Paulo Tavares
15:00-15:30	Break			
15:30-17:00	Session 3	Susanne Heeg	25	Peter O'Brien
		Stijn Oosterlynck & Sara González	25	Thomas Wainwright
17:00-17:30	Discussion			
<b>Dinner at 19:00</b>				

January 14				
		presenting	time	discussant
09:30-10:15	Opening	Desiree Fields	25	Gary A. Dymski
10:30-12:00	Session 4	Louis Gaudreau	25	Thibault Le Corre
		Ismael Yrigoy	25	Eugenia Winter
12:00-13:00	Lunch			
13:00-15:10	Session 5	Cesare Di Feliciantonio	20	Ismael Yrigoy
		Eugenia Winter	20	Zsuzsanna Pósfai
		João Paulo Tavares	20	Bill Kutz
15:10-15:40	Break			
15:40-17:30	Session 6	Brett Christophers	25	Susanne Heeg
		Reijer Hendrikse	25	Yunpeng Zhang

January 15				
		presenting	time	discussant
09:30-10:10	Opening	Gary A. Dymski	25	Brett Christophers
10:20-12:30	Session 7	Thibault Le Corre	20	Ana Cordeiro Santos
		Callum Ward	20	Sonia Vives
		Mikołaj Lewicki	20	Georgia Alexandri
12:30-13:30	Lunch			
13:30-15:00	Session 8	Peter O'Brien	25	Cesare Di Feliciantonio
		Thomas Wainwright	25	Desiree Fields
15:00-15:30	Discussion			

### 36 months presentations

	PhD	Assessor
<b>January 13</b>		
14:00-16:00	Jannes van loon	Stijn Oosterlynck, Frank Moulaert & Rodrigo Fernandez
<b>January 14</b>		
11:00-13:00	Annelore Hofman	Brett Christophers, David Bassens
13:30-15:30	Mirjam Büdenbender	David Bassens, Chris Kesteloot
<b>January 15</b>		
10:00-12:00	Gertjan Wijburg	Susanne Heeg, Etienne Van Hecke
13:00-15:00	Mayra Mosciaro	Gary A. Dymski, Silvana de Paula

The 36 months presentations are scheduled in parallel to some of the other sessions. Each presentation will deal with the Real Estate/Financial Complex in two specific countries (see abstracts on page 21-23). You can choose between attending the sessions in the main room or attending one or more of the 36 months presentations.



Discussant	E-mail	University
<b>Zsuzsanna Pósfai</b>	<a href="mailto:posfai.zsuzsi@gmail.com">posfai.zsuzsi@gmail.com</a>	Hungarian Academy of Sciences
<b>Bill Kutz</b>	<a href="mailto:william.kutz@manchester.ac.uk">william.kutz@manchester.ac.uk</a>	University of Manchester
<b>Ana Cordeiro Santos</b>	<a href="mailto:anacsantos@ces.uc.pt">anacsantos@ces.uc.pt</a>	University of Coimbra
<b>Thomas Wainwright</b>	<a href="mailto:Tom.Wainwright@rhul.ac.uk">Tom.Wainwright@rhul.ac.uk</a>	University of London
<b>Desiree Fields</b>	<a href="mailto:d.fields@sheffield.ac.uk">d.fields@sheffield.ac.uk</a>	University of Sheffield
<b>Thibault Le Corre</b>	<a href="mailto:t.lecorre@parisgeo.cnrs.fr">t.lecorre@parisgeo.cnrs.fr</a>	University Paris1 Panthéon-Sorbonne
<b>Georgia Alexandri</b>	<a href="mailto:georgia.alexandri@uam.es">georgia.alexandri@uam.es</a>	Universidad Autónoma de Madrid
<b>Eugenia Winter</b>	<a href="mailto:euge@stud.uni-frankfurt.de">euge@stud.uni-frankfurt.de</a>	Goethe University Frankfurt
<b>Peter O'Brien</b>	<a href="mailto:peter.o'brien@newcastle.ac.uk">peter.o'brien@newcastle.ac.uk</a>	Newcastle University
<b>Uri Ansenberg</b>	<a href="mailto:mail2uri@gmail.com">mail2uri@gmail.com</a>	The University of Manchester
<b>Cesare Di Feliciano</b>	<a href="mailto:cesaredif@gmail.com">cesaredif@gmail.com</a>	KU Leuven & Sapienza- Università di Roma
<b>Rodrigo Fernandez</b>	<a href="mailto:rodrigo.fernandez@ees.kuleuven.be">rodrigo.fernandez@ees.kuleuven.be</a>	KU Leuven
<b>Callum Ward</b>	<a href="mailto:callum.ward@ees.kuleuven.be">callum.ward@ees.kuleuven.be</a>	KU Leuven
<b>Ismael Yrigoy</b>	<a href="mailto:ismael.yrigoy@gmail.com">ismael.yrigoy@gmail.com</a>	University of the Balearic Islands
<b>João Paulo Tavares</b>	<a href="mailto:joaotcf@gmail.com">joaotcf@gmail.com</a>	UPF-Barcelona
<b>Sonia Vives</b>	<a href="mailto:so.vives@gmail.com">so.vives@gmail.com</a>	Lund University
<b>Yunpeng Zhang</b>	<a href="mailto:yunpeng.zhang@ees.kuleuven.be">yunpeng.zhang@ees.kuleuven.be</a>	KU Leuven
<b>Olivier Crevoisier</b>	<a href="mailto:Olivier.Crevoisier@unine.ch">Olivier.Crevoisier@unine.ch</a>	Université de Neuchâtel
<b>Louis Gaudreau</b>	<a href="mailto:gaudreau.louis@uqam.ca">gaudreau.louis@uqam.ca</a>	Université du Québec à Montréal
<b>Reijer Hendrikse</b>	<a href="mailto:R.P.Hendrikse@uva.nl">R.P.Hendrikse@uva.nl</a>	VUB
<b>Mikołaj Lewicki</b>	<a href="mailto:m.lewicki@uw.edu.pl">m.lewicki@uw.edu.pl</a>	University of Warsaw
<b>Brett Christophers</b>	<a href="mailto:brett.christophers@kultgeog.uu.se">brett.christophers@kultgeog.uu.se</a>	Uppsala University
<b>Susanne Heeg</b>	<a href="mailto:heeg@geo.uni-frankfurt.de">heeg@geo.uni-frankfurt.de</a>	Goethe-Universität Frankfurt
<b>Gary A. Dymki</b>	<a href="mailto:G.Dymski@leeds.ac.uk">G.Dymski@leeds.ac.uk</a>	Leeds University

## Abstracts seminar

### **Finance and housing: common trends producing differentiation and inequality**

- Ana C. Santos

The paper discusses the role of finance in housing provision in 5 EU countries representative of different types of financial system and welfare regime: Sweden, Germany, the UK, Portugal, and Poland. Based on a survey carried in these countries (part of the FESSUD EU project), it shows that the expansion of mortgage markets is a shared trend and part of a shift from collective to more individualized forms of welfare in housing provision. It also shows that the content and implications of this trend differ and in ways that cannot be simply read off by looking at the mere size of the mortgage market in each country. Even similar sizes and patterns of mortgage debt at the aggregate level disguise highly differentiated situations at the household level, calling into the analysis how housing provisioning is organized and takes place in specific, historically-given conditions and geographical contexts. It argues that the expansion of mortgage markets has meant that housing has become an important conduit to further push households into financial markets and expanding the scope for financial profit, through both interest on mortgage payments and trading rights to those payments on secondary mortgage markets. Notwithstanding important differences across countries, it also argues that owner-occupation has become an ever more important means through which households meet a growing portion of their welfare needs, underpinning the on-going construction of asset-based welfare forms of provision and constituting a new mechanism of production and reproduction of socio-economic inequality.

### **Un-fixing and De-Spatializing Land: A Case Study of the Land Securities Market in Chongqing, China**

- Yunpeng Zhang

In 2007, Chongqing was approved by the state council of China to pilot reforms that aim to balance and integrate the development of the city and the countryside. One of the key experimental projects was the construction of a land securities market. Based on secondary literature, policy documents and interviews conducted in 2015, this paper explores the rationale, the architecture and the mechanisms of this market and the risks involved in its operation. It is contended that the construction of this market reflects a qualitative shift in the ways that land and the peasants have been governed and managed since the reform in 1978. Land is no longer fixed or spatialized with different qualities. Through standardising, quantifying and bundling, the land securities market transforms land into a de-spatialized fictitious fluid commodity. However, as its financing strategy demonstrates, it does not deviate remarkably from the paradigmatic land-centred accumulation in China, therefore makes it difficult to achieve the initial goals of narrowing the urban-rural gap and benefiting the farmers in the long run. Moreover, it is financially fragile and politically unstable due to an underestimation of risks and the experimental nature of this project.

## **“Where to put the spare cash?” Subprime urbanization and the geographies of the financial crisis in the Global South**

- Bill Kutz

This article investigates the geographies of subprime urbanization, and by extension, the displacement of 2007-08 financial crisis to cities of the Global South. Previous research examined the formative ways that technological and regulatory innovations enabled mortgages to deterritorialize and circulate on secondary markets. Less is known about how cities with under-developed financial systems and housing markets have been impacted. The case of Tangier, Morocco, is used to argue that the geography of the crisis must be understood as a particular mode of urbanization, subprime urbanization, predicated upon the creation and exploitation of housing submarkets into new geographical frontiers. Subprime urbanization emerged in Tangier in response to the historic contradictions of regional disinvestment in northern Morocco. Weak financial inclusion for local low-income homebuyers led State bureaucrats to increasingly use housing policy to encourage European investment into Moroccan property markets, thereby transforming policy away from improving homeownership access and inclusion towards an urban model centered on the logics of international property speculation.

## **The Janus Face of crisis in the financialisation of the real estate in Spain and Greece.**

- Georgia Alexandri, Sònia Vives & Michael Janoschka

The 2007 crisis impacted differently the southern European family: in Spain it was experienced as a real estate crisis, while in Greece as public deficit on the verge of default. In both countries, European Union (EU) intervention resulted in the introduction of austerity measures and neoliberal innovative mechanisms for the rescue of the banking sector. In Spain the reform proceeded with the establishment of the SAREB, a bad bank, ending up in increased liquidity in the real estate. In Greece, extreme austerity transformed the public deficit into a private one, through processes of dispossession via taxation, wage cuts and welfare restructuring. Here, indebted households are only by now facing foreclosures, while in Spain indebted mortgages and distressed assets that were previously dispossessed, have been transferred to hedge funds and REITs. In both cases, EU intervention ends up in a process of financialisation of 'local' real estate sectors, as land and properties are ceased by vulture capital. This comparative research study aims to shed light on the distinct through interconnected processes of dispossession which link the global finance capital to local contextualities. Post-crisis related restructuring of the Spanish and Greek societies, under the *manoeuvre* of the EU, result in empowerment of the role of finance, thus, further deepening of inequalities and socio-spatial injustices.

## **Dependent financialization of housing in Central and Eastern Europe: the case of Hungary**

- Zsuzsanna Pósfai

Housing finance systems are inherently linked to the political economy of a given country. In the case of Hungary the economic growth of the late 1990s and pre-crisis 2000s was largely fuelled by increasing levels of private indebtedness and household consumption. These processes were, in turn directly linked to increasing levels of household credit – mostly taken in the form of mortgages. Apart from an increasing burden of risk and indebtedness on households, these processes also translated the Central and Eastern European region's position of global economic dependency. In the presentation I will seek to understand the main changes of the Hungarian system of housing finance in the past two decades through the analytical lens of dependent financialization.

## Real Estate Valuation in Practice: The Materiality of Real Estate Values

- Uri Ansenberg

Even though real estate values have been at the core of the worldwide social and political discourse in recent years, it seems that almost all economic - sociology studies have ignored it. The aim of my PhD is to contribute in filling this void by conducting ethnographical research within the real estate market. There is no doubt that conducting a meaningful ethnography in the "real estate market" is an extremely complicated task. Wishing to follow a path already paved by other researches (see for example: Pardo-Guerra, 2011; Knorr-Cetina, 2006; Garcia-Parpet, 2007)<sup>1</sup>, I concluded that the optimal angle from which I can approach and conduct my study is proposed to me by the professionals known for their ability to 'scientifically' expose the 'real' value of real estate (Gilberston, 2011)<sup>2</sup> – the real estate appraisers. I chose to focus on the work of the real estate appraisers based on their strategic location within the real estate network. I believe that their role as intermediaries responsible for determining the 'true' value of the real estate based on real estate transactions, mortgage loans, imposition of betterment tax and fines- all of which are conducted in a vague, ambiguous environment (Ozdilek, 2011)<sup>3</sup> - places them at the hub of the real estate value construction. Understanding the actions of the intermediaries, according to what we know from Foucault's theory of truth, can help us expose the underlying social power relations responsible for the manufacturing of the truth that shapes all the different agents' behaviors, or in our case: the value.

## Crisis and resilience in a finance-led city. Effects of the global financial crisis in Leeds.

- Sara Gonzalez and Stijn Oosterlynck

This paper looks at the impacts of the 2008 global financial crisis in Leeds, a medium-size city in Northern England, which in the last decades has specialised in finance related economic activities. Our aim is to understand if the largely neoliberal pre-crisis urban growth model pursued in Leeds, based significantly on real estate speculation, retail and finance was put at risk by the crisis and whether a collective reflection by local leaders took place about the need to change direction. To do that we have conducted interviews with experts in the city and analysed policy documents in detail. We focus, in particular, in how the crisis was constructed as affecting Leeds and more specifically if the socio-economic development trajectory and associated urban governance model have changed. We conclude that there has been little reflection and questioning of the underlying principles of the urban growth and governance model in Leeds.

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<sup>1</sup> Pardo-Guerra, J.P. (2011). How much for the Michelangelo? Valuation, commoditizing, and finitism in the secondary art market. *Cultural sociology*, 5(2), 207-223.

Knorr-Cetina, K., and Preda, A. (2005). How Are Global Markets Global? The Architecture of a Flow World. In K. Knorr-Cetina, & A. Preda (Eds), *The Sociology of Financial Markets* (pp. 38-62). Oxford: Oxford UP. Garcia-Parpet, M-F. (2007). the Social Construction of Perfect Market. In D. MacKenzie, F. Muniesa and L. Siu (Eds.), *do economists make markets? On the performativity of economics* (pp. 20-51). Princeton: Princeton University Press.

<sup>2</sup> Gilberston, B. (2011). Appraisal or Valuation: an art or a science? *Real Estate Issues* 26(3), 86-88.

<sup>3</sup> Ozdilek, Unsal. (2011). Land Value: Seven Major Questions in the Analysis of Urban Land Values. *American Journal of Economics and Sociology*, 70(1), 30-49.

## **Calculative and market practices in the real estate industry.**

- Susanne Heeg

This article examines the role and importance of calculative and market practices in the process of establishing a global property market. I argue that these practices have contributed to the transformation of the property market into a calculable relation which makes it possible to perceive and assess the real estate market and its objects internationally. Comparability – which includes the transformation of social, political and economic conditions into numbers – has created the context in which investment decisions take place because they suggest transparency and calculability. These practices are created and shared in a network of global real estate professionals and go along with strategies of territorializing and delineating markets. Yet, as we will argue, some local characteristics prove to be persistent and difficult to handle in global calculations. Thus, assessing global real estate markets still implies the challenge to combine local knowledge and global calculation.

## **Paths of Post-crisis Financialization of Real Estate in the US, UK, Ireland, and Spain**

- Desiree Fields, Mick Byrne & Joe Beswick

The years following the 2007-2008 financial crisis have borne major state interventions to stabilize the banking sector and financial markets more broadly. Such state action, or sometimes inaction, is crucial to how the link between finance and real estate is being reconstructed today. This paper considers paths of post-crisis financialization of housing in the US, Ireland, Spain, and the UK. While the specific nature of the crisis, public sector response, and regulatory and legislative structures entail variations in the form and pace of this process in each country, some common tendencies are visible. First, today distressed assets (whether repossessed homes, toxic mortgage debt, the mortgage books of nationalized banks, or stalled development projects) are a key vehicle for reconstituting the real estate-finance link. In turn a different set of actors is setting post-crisis financialization in motion, with an important role for private equity funds and hedge funds. The rental sector is a critical site for their investment strategies, with real estate investment trusts and bonds backed by rental income intensifying the link between global finance and local property. Overall selective state interventions to shore up the banking sector and absorb, nationalise, and deleverage real estate debt have orchestrated a flow of capital from the public sector to the financial system, albeit via different circuits than before the 2007-2008 crisis.

## **From Housing Market's Financialization in Canada to a Contribution to a Theory of Capital's Circulation in Real Estate**

- Louis Gaudreau

The Canadian housing market has experienced strong growth since the end of the 1990's that can be considered as both a condition and a result of an ongoing process of financialization. This process, which has largely been supported by state policies at the national and municipal level, can first be observed in the rise of well known economic indicators, such as homeownership, mortgage securitization, household credit and property prices, that is not specific to the Canadian experience but that has also been identified in other countries as a key feature of real estate's financialization. Based on recent work on the evolution in housing politics promoted by the Government of Canada and the City of Montreal, the presentation will examine theoretical reflections on housing market's structure and on the fundamental social relations involved in its reproduction. Mostly inspired by Marx's considerations on the process of capital circulation and

Regulation Theory's focus on institutions, I will discuss the form taken by the connection between real estate, finance and the state in an advanced capitalist economy.

### **The capital market union and varieties of residential capitalism in Europe: expanding the debt-led accumulation model**

- Rodrigo Fernandez

This paper examines the effect of implementing the proposals of the EU commission to institute a capital market union (CMU) on the varied landscape of residential capitalism in Europe. The CMU will bypass existing national institutional blockades that left core countries of the Eurozone, namely Germany, France and Italy, largely untouched by the housing-centered financialization that developed in countries like Spain, Ireland, the UK and the Netherlands. It was widely acknowledged, after the outbreak of the 2007/2008 crisis that the rise in securitized mortgage debt had created a flammable situation. The new EU commission, however, has chosen to restart the engines of the shadow banking machinery, outlined in the proposal to setup a CMU. This paper explores what the CMU, as vehicle to re-scale the political economy of housing finance, implies for the current geography of residential capitalism in Europe. It argues that countries that missed the previous housing boom will not be able to restrain the emergence of a process of housing-centered financialization. The CMU therefore signifies a spatial expansion of the debt-led accumulation model.

### **Global financial crisis and hotel chains financialization in Spain: Towards new accumulation frontiers?**

- Ismael Yrigoy

The paper argues that Spanish hotel corporations are increasingly becoming financialized. From a theoretical point of view, it is claimed that the current dynamics of financialized capital circulation through hotel chains represents at the same time a process by which liquid capitals get *spatially fixed*, whereas for hotel chains financialization represent one of its foremost strategies of creating *liquidity* beyond the traditional hotel overnight stays. From an empirical point of view, it is argued that hotel corporations financialization takes place in four interrelated spheres (i) the built environment (hotel buildings property becoming controlled by financial funds), (ii) actors (emergence of new actors such as hotel-oriented REITs) (iii) hotel management (new forms of management due to the emergence of financial actors within hotel chains) (iv) profit extraction (hotel corporations increasingly relying on financial profitability). The paper is structured in the following parts. The first item explores how the new dynamics of hotel chain financialization 'fits' within the Marxian scheme of expanded reproduction. The second part outlines how the financial crisis and particularly the restructuring of the Spanish banking system have forced hotel chains to become further 'financialized'. The third part focuses on the emergence of financialization as a response to hotel chains crisis in the abovementioned spheres, arguing that financialization of hotel chains need of an increased treatment of land and property as financial 'assets'. The conclusion of the paper deals with the uneven spatialization of hotel chains' financialization.

## **Subjectification in times of indebtedness and neoliberal/austerity urbanism**

- Cesare Di Feliciano

How can we analyse the (re)emergence of squatting in relation to the current housing crisis in Italy? Based on the case of Rome, the paper theorizes this return as resulting from processes of subjectification linked to the raising of indebtedness as a main dispositif of capitalism under neoliberal/austerity urbanism agendas. The political economy-oriented literature on neoliberal/austerity urbanism is bridged with the post-Marxist approach of Maurizio Lazzarato. Debt is seen as the archetype of social relations, shaping and controlling subjectivities, making the “work on yourself” essential to the reproduction of (indebted) society. However, given the circular nature of power, indebtedness can be generative of new processes of subjectification aimed at subverting this same power relation. In this sense, the paper operationalizes the conceptualization of subjectification recently proposed by Revel (2014), emphasizing how subjectification always results from i) an *action/gesture* and ii) a consequent deconstruction of the identity.

## **Implementation of global accounting standards; German and Spanish real estate investment actors, Mexico as investment place**

- Eugenia Winter

European real estate transactions continue to rise in cross-border investments despite the (last) financial crisis. The interest has risen to the so-called emerging countries. In Mexico the industrialized nations have injected hundreds of millions of dollars to acquire office towers, shopping centres, logistics parks, hotels and residential complexes there. In 2012 alone the investment amount doubled compared to 2011. German fund companies such as Deka-Immobilien Global and Union Investment Real Estate (UIR) are one of the biggest investors. Among others, Spanish financial institutions such as Santander<sup>2</sup> and BBVA financed Fibra Uno<sup>3</sup>. However, real estate is characterized for their specific (or constructed/performed special features) qualities as transparencies, risk and allocation. The real estate markets differ according to local legislation and local economic rules. Moreover, alongside the financialization process, an important contributor is the increase of global market-friendly standards such as the International Financial Reporting Standards (IFRS)<sup>4</sup>. The IFRS give the impression that markets, business and processes are clear, manageable, and comparable. In the case of the real estate the IFRS relativize if not negate their specific features as well as the local and regional regulation and be made comparable by alleged rule calculation complexity, a “conversion process”. The investigation into the implementation of global accounting standards by the example of German and Spanish real estate investment actors in Mexican properties enables the analysis of IFRS’s “conversion processes”. The main aim of this research investigates to what extent the IFRS impact the real estate market, in concrete terms, the valuation of properties? How are properties placed after they have been treated by IFRS? And what social-political consequences result from it?

## **Subverting the Olympic project: The anti-hegemonic struggle of an urban social movement in Rio de Janeiro**

- João Paulo Tavares

Unequal urbanization processes in Brazil materialised a contradictory situation of deep housing crisis and numerous empty urban spaces. Rio de Janeiro's reshaping for mega-events such as the World Cup in 2014 and the Olympics in 2016 is a complex case of strategic planning aiming to attract transnational investment.

In this paper my aim is to investigate an ongoing conflictual process between the official political power formations and housing social movements in Rio de Janeiro. This conflict is drastically reshaped by the Olympics in the city of Rio de Janeiro (Brazil). I suggest that the Olympic project is not a spontaneous trend but part of a bigger process driven by political and economical elites that impose a particular project.

Rio de Janeiro's official municipal Olympic Project is a complex process of overlapping values and discourses. In this work I will focus on the "competition" and "security" discourses. The "competitive Rio" – where the city should be inserted in global competitive circuits in order to attract investments of transnational capital – and the "secure Rio" – where the city activates different social tools in face of a "dangerous other", legitimizing exclusionary actions – are intermeshed discourses that shape the "Olympic City of Rio de Janeiro" project.

In this work I examine a squatter movement in Rio de Janeiro that configured itself as a subversive group with revolutionary practices and anti-capitalist projects. I argue that this specific experience can present essential insights for sociological research, indicating an alternative perspective and revealing disguised conflicts.

## **Land as a financial asset: the state effect?**

- Brett Christophers

There exists an influential and growing political-economic literature on the treatment of land – urban and rural – as a financial asset. But this literature pays little attention to the role of the state, beyond its obvious significance in the formalization of tradable property rights. In particular, the issue of the state's own land, i.e. public land, has been afforded scant scrutiny. Has the state, like other actors, increasingly come to treat the land it owns as a form of financial asset? And if so, how, and with what implications? I address these questions by way of an empirical focus on the history of the UK public estate since the beginning of the 1980s.



## **The construction of urban value**

- Olivier Crevoisier, Nelson Vera and Thierry Theurillat

It is possible to distinguish roughly three historical steps in urban rent construction. First, for Ricardo, the value of the city depends on the productivity of the surrounding agriculture and of the level of the rent that can be extracted by land owners. In the industrial society, the urban value depends on the capacity of the industrial urban system to export in other regions and cities, this is to say, to get inserted in a growing and deepening spatial division of labour. The export base theory and all the subsequent theories about regional production and innovation systems provide an account of these entering flow which induce subsequently an urbanisation process. In short, the industrial model is based on the mobility of goods and traded services towards markets. The more recent post-industrial approaches stress the importance of the mobility of two other types of entering mobilities. On the one hand, the residential and presential economy shows how the attraction of inhabitants and consumers (tourists, students, retired people...) can become the engine of the urbanisation process; in such a case, the processes of generating an external income and of urbanisation are largely the two sides of the same coin. On the other hand, the global financialisation makes possible for cities to have an inflow real estate and infrastructure investment which acts as the central engine of urban development, more or less independently of "real" activities.

All these three approaches remain relevant today. However, in a complementary but articulated manner, this paper takes a different angle. The urbanisation process can not only be the consequence of entering flows, but also their origin. Indeed, this endogenous urban capacity can improve the local industrial competitiveness, by providing adequate infrastructures and interaction and learning capacities; the financial investment depends on the opinion of financial market, which partly depends on the local capacity to creating a "good image"...

Urban value construction should be thought as a two sided process with both the attraction of external flows and an internal capacity to develop the city. Inside the city, traditionally, public authorities make the planning and develop the infrastructure, private players invest in buildings and the civil society validates or criticises the choices, eventually provoking some adjustments. In the post-industrial framework, the division of the task is blurred. Urban value depends on the local capacity to organise the complementarities (the externalities) between objects and to coordinate the various players for creating more of less coherent and performing areas and to reinvest periodically in order to keep and/or increase the value in the medium and long run.

This paper is an attempt to draw a conceptual framework of such endogenous/exogenous value construction process.

## **Does Sustainable Global Prosperity Require Global Financial Governance?**

- Gary A. Dymski

This paper considers whether attaining sustainable global prosperity at the present historical moment will require global financial governance. There are, of course, many elements that must be in place for sustainability and for prosperity. Indeed, an engaged debate on how these terms should be defined and how they interrelate in a world facing global warming is overdue. The concern here is with what might be termed the necessary and not the sufficient conditions for this goal to be reached: it is argued, specifically, that the 'line' between the financial and nonfinancial sector has to be redrawn by acknowledging that the former no longer serves (is symbiotic with) the latter, but instead has become at best autonomous and, at crisis moments, parasitic on it. If we define the green technologies and transformations that have to be invented and implemented as largely contained within the real (non-financial) sector, then returning finance to the role of providing finance for these activities is crucial.

## **Capital, financialization and uneven space development in Paris metro area**

- Thibault Le Corre

The financialization of housing is often understood in the context of the American economy, wherein a pattern of mortgaged homeownership triggered an unprecedented housing bubble. However, the financialization of housing may take different forms in different advanced capitalist economies. France represents a specific case of residential capitalism (Schwartz and Seabrooke, 2008), which did not yield to a housing market downturn after the 2008's crisis (Friggit, 2011), but in which the links between financialization, state and real estate should clearly not be ignored. Based on a quantitative analysis of a historical housing transactions database (BIEN) in the Paris metro area (*région Île-de-France*), this study seeks to understand the particularities of French residential capitalism in the context of Paris region. Our approach focuses on the spatial dynamics of capital and « fictitious capital » (Marx in Durand, 2015) in the Parisian housing market between 1996 and 2012. First, our analysis of capital flows in urban space unveils certain uneven geographical development dynamics in Paris. Moreover, it emphasizes the influence of housing loans on social (re)production dynamics, including gentrification and the creation of spaces of abandonment. Second, we propose an understanding of the relationships between French real estate financialization, housing policies and housing prices fluctuations (valorization or devalorization) of urban spaces.

## **Mobilising land and infrastructure as financial assets: The Peel Group's transformation of northwest England**

- Callum Ward

This research explores the relationship between land and infrastructure, contributing to the literature on the mobilization of both as financial assets. Through a company historiography based on analysis of annual reports, contemporaneous accounts in the financial press and semi-structured interviews; the paper traces the metamorphosis of failing Lancashire cotton mill company 'Peel Mills' into a regional-scale financialised developer, the Peel Group. Particular attention will be paid to the take-over of the Manchester Ship Canal – a watershed moment which was also a focal point of political and economic contestation; the subsequent development (and securitization) of the Trafford Centre shopping development on the land gained; and the ongoing 'Atlantic Gateway' project – a £50bn spatio-economic vision for the region driven by an attempt to further monetize the company's port infrastructure and stimulate its real estate assets. In this, shifts in the regional political economy, changes in the governance of infrastructure provision, and the increasing integration of finance and real estate are interpreted through a number of transformative take-over and financialisation events in the trajectory of a single company.

## **Challenging the academic real-estate/financial complex: The Maagdenhuis uprising**

- Reijer Hendrikse

Early 2015 a group students occupied a number of buildings of the University of Amsterdam (UvA), culminating in the largest student protests ever seen in the Netherlands. For six weeks, the administrative head office known as the Maagdenhuis was appropriated, and some thousand academic staff joined the students in the fight for a 'new university' based on democratic principles. As elsewhere in Europe, student grievances centered on corporatization, financialization and technocratization - not least related to the university's ambitious debt-driven real-estate plans. This draft sets out the key developments having led to the protest, and highlights some the struggles having unfolded since. Although students have successfully awakened the Dutch 'polder elite' out of their neoliberal pipe dreams, they are today facing an stiff uphill battle in the quest for definancialization, detechnocratization, and academic change.

## **Political economy of housing in Poland**

- Mikołaj Lewicki

This paper develops the proposition to center the Housing in Political Economy as an adequate tool to understand and disentangle relations between financial and housing sector in Poland (Aalbers Christophers 2014). The case study can be seen as an entry point to examine economies of Central and Eastern Europe (CEE) and their connection to the processes observed in the economies that are defined in terms of financialization. This is due to two reasons. First, political economy of housing seems to be better suited than already proposed theories of financialization to understand seemingly similar features to the ones identified in financialized economies such as the sources and circulation of capital, the rise of mortgage market and emergence of F/X lending by their connections with the significance of private property or transformation of the state's housing policies. Second, by observing the three modalities of capital – as a way it circulates, as a social relation and as an ideology it helps to identify processes specific to the region meanwhile also prone to the social, political and institutional transformations of the capitalism. Links between financial sector and households provoke to see financialization as driven not only by the transformation of financial sector and thus embedded in the specific institutional context of the CEE region. Such framework enables to discuss on the one hand – main perspectives on the financialization (van der Zwaan 2014) and on the other to explain why economy such as Polish does not fit to the frame proposed by the varieties of residential capitalism perspective (Seabroke Schwartz 2008). While very much dependent on the intra- and inter familial relations, households in Poland become also gradually more dependent on the specific financial instruments such as mortgages that co-determine social structure and distribution of wealth. This could not be effective without the active role of the state in housing policy based on individual investments. Such policy produces however new institutional risks to the whole economy meanwhile structuring the society according to the (financial) market criteria and level of risks put on households. Political economy of housing thus provokes to see potential financialization tendencies as dependent not only on the transformation of the capital but also on the political and institutional context of a given region.

## **'Governing the (un)governable? The governance of infrastructure funding and financing in the London 'mega city-region'**

- Peter O'Brien, Andy Pike and John Tomaney

The governance of urban infrastructure funding and financing is a critical aspect of the ongoing search for investment mechanisms to support infrastructure development. In the context of the global financial crisis, austerity and the fiscal consolidation of public finances and faltering economic recovery, national and local actors are being compelled into speculative and entrepreneurial activity to locate new sources of capital, develop innovative business models and establish new institutional arrangements for urban infrastructure funding and financing. Governing urban infrastructure funding and financing, particularly in 'large metropolis', is a central and acute issue, and raises questions about the governability of global cities, the increased financialisation of local and regional development, and the relative importance that state and private investors now attach to infrastructure as a distinct asset class. This paper draws upon emergent empirical analysis of the governance and emergent funding and financing arrangements surrounding the London Infrastructure Investment Plan. The growth and projected future rise in population is placing new pressures on existing infrastructure assets and systems, and is posing profound questions about the nature of specific forms of growth and development, spatial planning and the funding and financing of infrastructure renewal and investment in London and the wider 'mega city-region'. These issues are presenting a particular set of complex challenges concerning the enduring nature of spatial imbalances within the UK political economy, contemporary, competitive approaches to urban policy, and the structure and operation of strategic city-region governance and accountability frameworks encompassing public and private institutions operating within and across a range of different scales.

## **(Sub)priming the third sector for investment? the financialization of social housing**

- Thomas Wainwright & Graham Manville

Since the global financial crisis (GFC), real estate capital markets have faced uncertainty, with many established investors shunning securitized financial products. Institutional investors have been seeking alternative real-estate investments, which they can switch capital into, creating new real estate bond markets. This has led to the development of a new social housing bond market, with the assets of third sector organisations being financialised. The third sector has historically privileged the creation of social over economic value, but in the development of bond funding programmes, these social organisations have had to reconfigure their processes and practices to become compatible with financialization. The priming of these non-market organizations has required a series of socio-technical changes. These include, changes in the background and experience of senior management teams, the development of new financial metrics, new management control processes and the co-creation of new knowledge, to align the activities of social housing with the politics of financialization. This paper provides new insight into the organisational changes within the social housing sector, which has primed these real estate providers for financialization, while examining how this undermines the social mission of these organisations. In doing so, the paper explores how the financialization of real estate is continuing post-GFC, as institutional property investors and capital market intermediaries extend their networks into new sectors and markets, to seek new sources of fees and returns.

## **Abstracts 36 Months presentations**

### **The (non-)financialisation of real estate development in the Low Countries**

- Jannes van Loon

In this 36 months-presentation I will give a general overview of my PhD-research on structural transformations within the domains of finance, real estate and the state in the Low Countries. The main focus will be on real estate developers that act as the intermediary between capital (i.e., finance) and the creation of the local built environment (i.e., real estate) thereby heavily depending on (local) regulation (i.e., state agencies).

The first part of the presentation revolves around the recent history of both commercial and residential real estate developers in the Netherlands and Belgium showing that financialization processes are geographically variegated. Although real estate developers faced a similar rise of more market-oriented banking, Dutch developers financialized their activities while their Belgian counterparts did not. The Dutch case demonstrates how financialized corporations can make accumulation cycles more extreme, particularly by placing the creation of fictitious capital at the centre of their business strategies. The Belgian case illustrates how patient capital, i.e. multi-generational wealth looking for sustainable growth, can function as a strong barrier to financialization processes, thus moderating the influence of financialized capitalism on the economy.

Where the first part of the presentation is based on research already conducted at the national level, the second part will present a framework for the last phase of my PhD; studying the interaction of (financialized) real estate developers with urban political economies. My current idea is to conduct comparative research on one urban oriented commercial real estate developer and one urban oriented residential real estate developer in both countries. The work will be presented through two chapters/papers; a chapter on two urban commercial real estate developers and a chapter on two urban residential real estate developers. Ideally, these four developers were, when processes of financialisation were first observable in both countries in the early 1990s, a most likely case for financialisation. The research will focus both on the history of the corporation and an analysis of their essential (urban) projects. By doing so, the chapters take into account both structural changes at the national level – echoed through changes within corporation strategies – and at the urban level, echoed through the (changed) ways in which the development of new real estate is realised within an urban context.

### **The Real Estate/Financial Complex in the UK and US**

- Annelore Hofman

I am researching the real estate/financial complex in the UK and US, and will present a preliminary overview of the planned chapters of my PhD. The PhD includes two chapters on lobbying, firstly, a more theoretic paper entitled spaces of lobbying, and secondly, a paper that will be looking at the different spaces of lobbying in the real estate and financial sectors. A real estate-driven growth regime is the third paper. This paper argues that the increasing professionalization of the real estate sector, its asset and market making and its lobbying have all fostered the recognition on the part of the government that property is a driver of economic growth. Next is an article entitled “London and New York as a safe deposit box for the transnational wealth elite” co-authored with Rodrigo Fernandez and Manuel Aalbers, focusing on transnational wealth elites buying residential properties in New York and London, primarily as an investment rather than as a primary residence. The concluding chapter of my PhD will be a comparison of two redevelopment projects, Battersea Power Station (BPS) in London and Hudson Yards (HY) in New York. After this introduction and some details of my PhD planning, I

will discuss the lobbying papers and the urban case study more in-depth. As I still need to undertake the urban fieldwork in London, I look forward to all feedback.

## **The Real Estate/Financial Complex in Russia and Poland**

- Mirjam Büdenbender

This PhD project develops an empirically grounded study that accounts for the real estate-financial complex (REFCOM) in the Russian Federation (henceforth Russia) and Poland. It addresses the following key research questions:

- 1) *How and why does the real estate-financial complex differ across spaces?*
- 2) *What are the actors, interests and power relations shaping the real estate-financial complex in Russia and Poland?*
- 3) *How does the real-estate financial complex shape specific urban spaces in Moscow and Warsaw?*

In the past three years I have addressed the first two questions. In particular I investigated the

- Internationalization of Commercial Real Estate in Russia (and Poland);

Drawing on the literature on real estate internationalization and property market maturity, I found that Russia's commercial real estate market underwent waves of partial internationalization. I argue that this uneven integration of Russian real estate into global property markets is a function of its specific transition experience and its particular consumption-driven, oil-dependent growth model.

- The geopolitics of this process (with Oleg Golubchikov) – submitted to The International Journal of Housing Policy;

To investigate the geopolitics of this process of real estate internationalisation, I drew on the ideas of state space restructuring and assemblage thinking to argue that geopolitics needs be seen as performed via assemblages of actors (state and non-state), practices, and materialities, including those clustered over real estate interests.

- The evolution of residential capitalism in the two countries.

To account for the differential evolution of residential capitalism in the two countries I mobilized studies in Comparative and International political economy and in housing studies. I found that whilst following a similar overall trajectory towards homeownership based, mortgage financed housing regime, residential capitalism in Poland and Russia differs significantly. These variations can be explained with differences in the process of transition and the interplay with locally specific forces and interests.

Lastly, I have begun to explore my third research question about the urban dimension of the Real Estate/Financial Complex through a study of:

- The evolution of neoliberal urbanism in Moscow, 1990 – 2015 (with Daniela Zupan) – submitted to Antipode

During the workshop in Leuven I will present the findings of the first stage of my field research, addressing the first two research questions concerning national level trends in Russia's and Poland's REFCOM. In particular I will discuss the differential evolution of residential capitalism in the two countries.

## **Selling Germany and Paris: Finance and real estate in the 21<sup>st</sup> century.**

- Gertjan Wijburg

During my presentation I will discuss the general framework of my research project, present my recent work on real estate in France and propose an urban case study design. For analyzing the decline of the postwar housing market in France, I will apply a Bourdieuean perspective on the “politics of housing” and show how shifts in housing politics have contributed to the revival of patrimonial capitalism in France. For analyzing the ruptures in the postwar office market of France (most notably Paris), I will focus on the deep and structural real estate crisis of the 1990s, the entrance of foreign investors and the rise of French REITs since the mid-2000s. For my urban case studies, I propose to look at industrial heritage and brownfields in Germany and France. The first possible case study that will be discussed is: the entrepôts at Aubervilliers, north of Paris, that during the nineteenth century were owned by Émile Pereire, one of the founders of Crédit Mobilier, the first universal bank of France that went bankrupt in the 1870s. With aid of local municipalities, the French REIT and developer Icade is presently converting these historic entrepôts at Aubervilliers into commercial buildings and financial assets. The second possible case study concentrates on the urban politics of municipalities in the Ruhr area of Germany that, having sold their communal houses to investors during the 1990s, are now trying to sell their industrial sites and commercial real estate too.

## **The Real Estate Financial Complex in Brazil and the Porto Maravilha case**

- Mayra Mosciaro

For the upcoming 36 months presentation the goal is to present a picture of the Brazilian context regarding the Real Estate Financial Complex concept. Initially, the aim is to introduce aspects that will help to understand how the Brazilian REFCOM is configured. Both real estate sectors – commercial and residential – will be addressed in order to understand if/how financialized practices have influenced this industry in the country.

The 1990s introduces significant shifts in real estate practices in Brazil. With the housing sector in mind a new legal framework is developed, inspired by the American model, in order to “modernize” the system. Allegedly, this new model would facilitate and increase the number of homeowners. For reasons that will be addressed in the presentation, such system has not yet picked up in the residential sector; however, because of a loose legislation commercial real estate developers and investors saw an opportunity to use the recently introduced tools for their projects.

To represent how the Brazilian REFCOM is behind built a case study was selected; the main argument is that there are some highly financialized areas, in specific places. For the upcoming PhD thesis, and consequently for the 36 months presentation, the redevelopment project of Porto Maravilha will be analyzed.

Porto Maravilha is a 5 million square meters redevelopment project in the heart of Rio de Janeiro. After decades of abandonment and neglect, there is now the necessary legislation, political interest and (until recently) a favorable economic scenario to push this project forward. Over the presentation the financial structure and tools will be presented in order to demonstrate why this space that can be perceived as a symbol of the Brazilian Real Estate Financial Complex. On a broader scale, the upcoming PhD thesis will look into the cases of Brazil and Italy. For the Italian case, the first fieldwork period was concluded and the case study, to be developed in the next phase, has already been selected. As an urban representation of the Italian REFCOM the Milano City Life redevelopment was chosen and will be analyzed in more depth in the upcoming months. For different reasons the Brazilian case was chosen to be scrutinized during the 36 months presentation. Nonetheless, the Italian example will be cited, when appropriate.