



A “Financialised Production of Space”. Analysing Real Estate Investment Funds through Lefebvre’s Spatial Triad

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ABSTRACT

This research contributes to gaining a deeper understanding of the nature of the financialization of the built environment from a spatial dimension. Empirical studies have predominantly used a quantitative approach to explore these processes. In contrast, this article seeks a better understanding of the ways in which financial institutions conceive of and represent space. Through the lens of Lefebvre’s spatial triad, we analyse in-depth interviews with key high-level investment fund managers, along with the annual reports of three investment funds operating in Santiago, Chile. Our thematic analysis reveals a potential “financialised production of space” and indicates that data can be classified into three distinct categories: commodification of the material space, codification of the representation of space and, the subjectification of the representational space. The study concludes that investment funds construct financial spatial narratives, through which space is disembodied and conceived as a commodity, represented in the form of pictures and codes.

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Introduction

The financialisation of the built environment has become a key topic within urban and geographical studies. The increasing production, exchange, management and consumption of the built environment through financial intermediaries, have transformed urban space through speculation, capital mobility and risk management (Clark, Larsen, and Hansen 2015). In our present day neoliberalism context, these intermediaries drive urbanization, fixing capital in certain city areas and exacerbating urban phenomena such as gentrification (August and Walks 2018), segregation (Walks 2014), deprivation of rights (Rolnik 2013), and indebtedness (Poppe, Lavik, and Borgeraas 2016), among others. This has been made possible by a set of political and economic neoliberal reforms that date back to the 1980s, namely the liberalization of land and the deregulation and privatization of the market. Moreover, following the subprime crisis of 2008–09 (Phillips and Yu 2011), investment funds’ transformative power over the urban environment has