1 Introduction: The Case for Real Estate

In the leadup to a global financial crisis and economic depression, Montréal was among the first places where a real estate boom became a bubble. Within a few years, Rome followed; credit from northern Italian banks (backed by French finance) flooded into the capital, driving up land prices before contracting and leaving in its wake partially finished buildings and bankrupt owners. Simultaneously, Paris, Lyon, and Nice, linked by the same financial flows, saw frenetic speculative construction and collapses in building prices in the span of only a few years. Police observers in Paris strove vainly to comprehend how rents went up even as building was incessant – a phenomenon 'in strict contradiction with the laws of supply and demand' – while the municipal council concluded that 'in no other period has the dynamic of construction and demolition enacted such significant changes in the condition of land in such a short span of time'.[1] In Stockholm, more dwellings were constructed in eight or nine years than had been produced in the previous seventy-five. Real estate in Winnipeg and Los Angeles, booster cities of the North American West, boomed and busted at the same time. In Shanghai and Hong Kong, real estate was one of many speculative assets that tumbled as foreign credit tightened. It took some time for price declines and foreclosures to play out, but by the time this round of real estate booms had subsided in 1889, many of the world's advanced capitalist economies were well settled into the 'long depression' of the late nineteenth century. Surveying the unprecedented unemployment and decline in wages and prices of this depression – and coming in for their share of the blame – real estate brokers and developers in cities around the world came to a new awareness of the national and global factors shaping their field of operations (Burley, 1988; Chuan, 1979; Di Martino, 2012; Forsell, 2006; Glaeser, 2013; Kang, 1993).

This account likely conjures images of the real estate bubble and financial crisis that led to the Great Recession of the early twenty-first century (Shiller, 2005). That crisis sprang from years of easy credit to homebuyers facilitated by thick networks of securitization, by which individual mortgages were packaged into asset-backed securities whose risks and income streams were circulated and re-assembled between a range of global investors (Fligstein and Goldstein, 2010). Mortgages, in the words of political scientist Kathe Newman (2009), had become the widgets of the post-industrial United States: mass-produced building blocks that form the basic material of the

[1] Archives de la Préfecture de Police de Paris, BA 486: Rapport, Commissariat de Police des Quartiers de la Santé et du Petit-Montrouge, 19 juin 1882; Conseil Municipal de Paris, Rapport, présenté par M. Alfred Lamouroux, au nom de la 1[re] Commission, sur la valeur locative actuelle des propriétés bâties de la ville de Paris, en exécution de la loi du 8 août 1885 (Paris: 1888), 25.

financialized economy. By the early 2000s, the demand for these securities was such that increasing numbers of mortgages were offered to candidates who would not typically gain access to such credit – so-called sub-prime clients – further fuelling what had already been decades of housing price increases. When these new mortgages began resulting in higher than predicted levels of default, the by-now massive and global industry of mortgage-backed securities was severely destabilized. Banks and other investor funds found themselves over leveraged, while individual homeowners began losing homes, housing value, and economic security. This was a crisis within and across scales: of individual households, of national banks and government bodies, of international investment circuits. While accounts of the crisis often privilege the national or international scale in their focus on government regulation and global pools of money, cities and their political economy were central to the unfolding of the mortgage boom and bust (Marcinkoski, 2015; Aalbers, 2012).

This juxtaposition of a late nineteenth-century and early twenty-first-century contagion of real estate bubbles is more than a feint to suggest the relevance of real estate and its history for contemporary urban dynamics. It does demonstrate that real estate, as a physical entity, a field of interests, and a mode of capital accumulation, has been a central force in cities throughout the modern era (a period identified here with the long-nineteenth, twentieth, and twenty-first centuries). It demonstrates, too, that assets that are extremely local and place bound – like housing and neighbourhood land, drenched in the use value of individual owners and residents – have long been shaped by national and international movements of capital. In other words, that there is a deeper history to footloose capital's urban predation and production than that typically identified with contemporary globalization and neoliberalism. But the juxtaposition is also intended to highlight the necessity of granting real estate a historicity in our accounts of the urban. Reckoning with what are, as presented, two similar international crises separated by more than a century opens challenging and fruitful terrain for historians of cities who seek to move their analyses across broader scales of time and space. What might such repetition tell us about the nature of urban development, and the types of historical inquiry required to make sense of it? But the distinctions between these moments, which would be revealed by deeper study, are also vital. The real estate crises of the 1880s were not identical to the mortgage-fuelled calamities of the 2000s: the former did not enjoy the unity provided by contemporary marketization; individual homeownership played practically no role (though it was more influential in the North American cases); in most instances, urban bubbles coincided rather than shared common origins.

These differences in the treatment and function of real estate in the modern city – the sharp divergences that underlie shared language of 'building fevers' and 'speculative booms' – demand the critical attention of historians. Capitalist private property in land and buildings – real estate – is the ground of modern cities, materially, politically, and economically. It is foundational to their development and core to much theoretical work on the urban environment. It is also a central, pressing matter of political contestation in contemporary cities. Yet it remains largely without a history. As historian LeeAnn Lands writes in her study of real estate and working class housing in turn-of-the-century Atlanta, 'historians and other scholars often referred to neighborhoods and housing as having "formed" around rail junctions, factory locations, and the like, as if they were a natural outgrowth of a nearby transportation nexus or workplace, or as if workers themselves merely called on squatters' rights and settled in the most convenient location' (Lands, 2002, p.547). The actions of developers, of owners who make up urban 'growth machines', of ordinary people as they navigate property markets and their changing regimes of commoditization – all these too often exist in a curious black box, from which unchanging categories such as 'speculators', 'developers', 'landlords', and 'renters' issue without significant historical assessment. Yet in fact, these groups shift, align, and act in historically specific ways, even if their evolution under modern capitalism enjoys an overall coherence.

If urban history has frequently neglected to critically engage with real estate, the same can be said of new histories of capitalism. These histories tend to privilege studies of finance, insurance, and money – the world of risk, probability, speculation, and capital flows – over the purportedly more fixed terrain of land, patrimony, and real property (Yates, 2019b). This is partially explained by present-day economic concerns, and informed by a fascination for the technological and mathematical mechanics of modern capitalist practice. In contrast to the dynamic, globe-spanning transactions of modern finance, the long-term stability of real estate, its material durability and its fixity in space, seem to embody a 'traditional' world destined for eclipse. Historical studies of the globalizing modern economy are similarly little preoccupied with unmovable territory left in the wake of flows of commodities, capital, and labour, while cultural and social histories of the global bourgeoisie – a class for which property arguably constituted a defining asset, aspiration, and ideology – also bypass the subject (Abbenhuis and Morrell, 2020; Dejung, et al., 2019; Topik and Wells, 2012).[2] To be sure, longer term studies of the evolution of wealth

[2] It should be noted, however, that some important recent research on globalization engages with the ways that states and empires 'territorialize' their economic and governmental regimes (Ballantyne and Burton, 2012). In a summary contribution to a new volume on the history of

have established the declining significance of real property as a component of national income throughout the eighteenth and nineteenth centuries – however, the global rise of individual home ownership following the Second World War reverses that trend, and also initiates the first period of sustained increases in property prices for several centuries (Eichholtz, 1997; Piketty, 2014).

Happily, other disciplines have proven more ready to tackle real estate as a historically-specific element of modern cities and economies. In urban studies, critical geography, and economic sociology, the gyrations of real estate and financial markets in the early twenty-first century have generated considerable research into the role of real estate capital in the financialization of the global economy, as well as into the way its fallout has changed the global urban landscape (Aalbers, 2008; Fields, 2017; Gotham, 2006; Kaika and Ruggiero, 2013; Sassen, 2008). This literature has drawn on the insights of Marxist geographers Henri Lefebvre (2003) and David Harvey (discussed in more detail below) in order to focus attention on the role of real estate as a circuit for capital accumulation. Informed by such research, as well as by a diverse assemblage of historical studies, this volume argues that real estate enjoys a particular ability to both affect and illuminate fundamental processes of urbanization.

Understanding urban real estate as an object of historical inquiry requires reflection on the meaning and analytic work performed by the term. In his study of race and real estate in south Florida, historian Nathan D. B. Connolly defines real estate succinctly as ‘land turned into property for the sake of further capital investment’ (Connolly, 2014, p.6). This definition serves the purposes of a modern historian reasonably well. It aligns key elements of the real estate package – land as a non-human-made precondition, property as a legal institution, and capital as the means and end of real estate’s existence – but avoids collapsing them. It captures real estate’s invented and transformative capacity (‘land *turned into*’) and incorporates recognition of its future orientation (‘*further* capital investment’). Nevertheless, some refinement can improve the utility of the term for the urban historian and further emphasize its historical specificity.

Real estate is at once an old concept and a decidedly modern referent. A common-law term dating from at least the seventeenth century (though the notion of ‘real property’ is still older), it designates a category of property separate from chattel or other personal estate, such as money, merchandise, or other goods. It takes its meaning – in legal, but also cultural and political terms – from the tangible and immovable nature of land and buildings. Such property is

capitalism, Sven Beckert acknowledges the need for the field to deal more forthrightly with the history of the countryside, and includes land as a key resource whose commoditization demands more attention (Beckert, 2016).

'real' and protected in a way that movable, personal property is not. This holds true in both the common law and civil code systems. The French term for real estate, *immobilier*, captures the division in the Napoleonic Code between the civil realm – into which immovable, real property falls – and the commercial – the realm of movable goods and personalty. In contrast to the venerable standing of the concept in the major legal systems which came to cover much of the globe, in common parlance 'real estate' as we deploy it today was not much used before the mid-nineteenth century. Legal discourse, political debate, economic disquisition, and those who worked in the management and traffic of 'real estate' referred to property, estates, buildings, and land, rather than the more general category (Fitz-Gibbon, 2018; Yates, 2015).

The shift to a more generalized usage of real estate in today's commercialized sense is a multi-causal process, with important national variation, but which owes much to modern imperialism. Colonial frontiers and imperial cities were spaces in which property, from the perspective of colonizing authorities, was born as real estate (Bhandar, 2018) (Figure 1). This was a material boon for the colonizers, who sought to accumulate capital through dispossession of existing owners, occupants, and users of land. It was also a discursive move that allowed a sort of hierarchy between *real* 'real property' that existed in the metropole and the inferior 'real estate', shorn of political and cultural privileges, of the colonized territory. Indeed, real estate in colonized territories was a lever that helped construct a hierarchy of personal estates – such as the differentiated legal regimes for Muslim subjects in French Algeria – conducive to imperial governance (Surkis, 2019).

Making property in the empire was frequently about making what we might call commodity real property: property that could easily circulate, as liquid as other forms of capital. In colonial North America, for instance, as legal historian Claire Priest shows, the English parliament's Debt Recovery Act of 1732 transformed the character of real property in its North American possessions, rendering it much closer to chattel than its metropolitan equivalent by degrading real property's privileges and protections vis-à-vis creditors (Priest, 2006). In the nineteenth century, systems such as the Torrens system of land registration, which combined new techniques of surveying and registration to mobilize land and maximize its (financial) productivity, were developed and deployed across imperial territories, first in British colonies and then throughout the French empire and into diverse parts of North America and East Asia. Other empires studied and emulated European measures. The Ottoman Empire's Land Law of 1858 provides a well-known example of imperial reaction, as European models of individual ownership were adopted as a method of stimulating economic growth and centralizing governance (Islamoglu, 2004; Mundy, 2004). Japan

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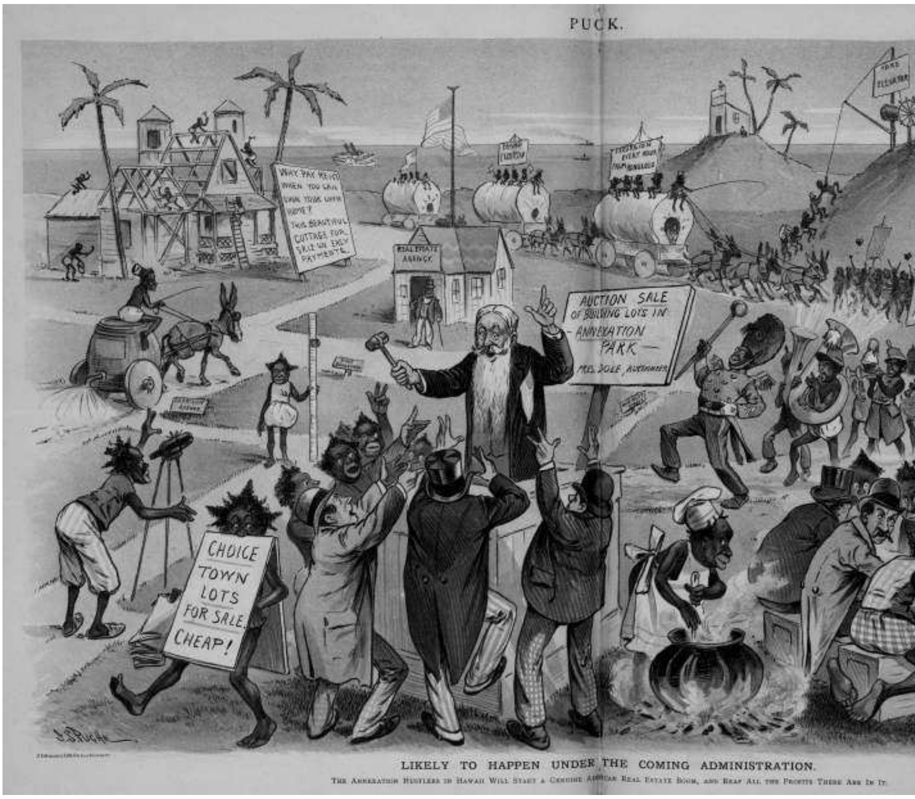

Figure 1 Likely to Happen under the Coming Administration, by J. S. Pughe. Racist caricature of a (fraudulent) real estate boom.

Puck vol. 40, no. 1038 (27 January 1897). Library of Congress.