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The Variegated Financialization of Housing

Symposium for IJURR

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Abstract of Symposium

Housing is a key object of financialization. There is a small but growing literature on the financialization of housing that has demonstrated how housing is a central aspect of financialization. Despite the varied analyses of the financialization of housing and the importance of housing to financialization, the relations between housing and financialization remain under-researched and under-theorized. The financialization of housing is not so much a specific from of financialization, as it transcends several of the different forms of financialization. Housing systems, in particular, differ widely across the globe, which implies that housing financialization will be inherently variegated, path-dependent and uneven. This Symposium places housing in the center of financialization debate, but also places financialization central in housing and urban debates. The articles in this Symposium add to the literature on the financialization of the state and (semi-) public sector. Financialization is not such much limited by state institutions, but these institutions are mobilized and transformed to enable financialization. There is little evidence that the global financial crisis has resulted in a de-financialization of housing. There are common trajectories within uneven and variegated financialization rather than radically different and completely unrelated forms of housing financialization.

Abstract of Introduction

Housing is a key object of financialization. There is a small but growing literature on the financialization of housing that has demonstrated how housing is a central aspect of financialization. Despite the varied analyses of the financialization of housing and the importance of housing to financialization, the relations between housing and financialization remain under-researched and under-theorized. The financialization of housing is not so much a specific from of financialization, as it transcends several of the different forms of financialization. Housing systems, in particular, differ widely across the globe, which implies that housing financialization will be inherently variegated, path-dependent and uneven. In this introduction to the Symposium, I will discuss how the articles in this Symposium contribute to the literature on the financialization of housing. Housing has entered a post-Fordist, neoliberal and financialized regime. Both mortgaged homeownership and subsidized rental housing increasingly are there to keep financial markets going, rather than being facilitated by those markets. There is little evidence that the global financial crisis has resulted in a de-financialization of housing. There are common trajectories within uneven and variegated financialization rather than radically different and completely unrelated forms of housing financialization.

Key words: housing, financialization, mortgage markets, rental housing, home ownership, state and public sector

Introduction to the Symposium

Housing is a key object of financialization. Of course, housing has always been dependent on finance, whether it is purchased individually or as part of a housing portfolio. In the past (and I am consciously vague here, as this is different for different countries), housing finance was offered through separate channels, i.e. separate from other banking and financial channels. Mortgaged homeownership was only possible if a large down-payment was made and the remainder of the housing price was typically financed through specialized institutions such as building societies, savings and loans institutions, *Bausparkassen*, *cajas,* savings' banks and credit unions—in many countries general banks have only been allowed to be active in the mortgage market for a couple of decades. States typically treated these specialized mortgage lenders favourably in terms of conditions and taxes.

The financing of subsidized rental housing was often even more detached from financial markets as it was not only regulated but also provided by state or semi-public institutions. Many states, especially in Europe, also engaged in elaborate planning schemes in which housing, infrastructure, urban planning and sometimes also employment and industrial policies together became an integrated part of the development of strong welfare states. Housing finance was sheltered from the volatility of financial markets, and even if it was not provided by the state (which was the default option in most countries), it was still heavily regulated and, indeed, controlled by state institutions. Florida and Feldman (1988) speak of a Fordist housing regime. In this regime, housing, including housing finance, was considered too important to be regulated and controlled solely by markets.

The Fordist housing regime has subsequently been disassembled. The mortgage finance channel is now integrated with other financial channels and therefore other financial markets. In many countries building societies, *cajas* and the like were transformed to general banks or other types of integrated financial institutions. This was also a rescaling process as many of the old, specialized lenders were locally or regionally embedded, while their new demutualized bank or other status often resulted in a geographical upscaling, often aided by a wave of mergers and acquisitions. Other new, specialized financial institutions, such as the so-called "non-bank lenders" in the US, are perhaps not banks by name, but they are very much integrated in financial markets as they typically rely on securitization—the resale of mortgage portfolios, i.e. debt, in liquid financial markets that compete *directly* with other financial markets—thereby potentially increasing the in-flow of money into mortgage and housing markets, but also the volatility of such markets (Aalbers, 2008).

In addition, we have witnessed a shift away from subsidized rental housing. What arguably started with Thatcher's "Right to Buy" in 1980, had become a general and international policy on social housing privatization by the turn of the century. In post-socialist Central and Eastern Europe the drive to privatization around 1990 was influenced by an explicit housing policy agenda, that was to shift the burden of repair and maintenance away from local authorities (Murie *et al.*, 2005). Although subject to a very different political and economic situation, social housing in many OECD countries was privatized, although nowhere at the scale of Central and Eastern Europe. Where social housing was allowed to subsist, it was either subject to stigmatization and marginalization or its management was commodified and rents were raised (Aalbers, 2015). Funding for social housing was not only cut, but frequently also taken away from the state, making social housing providers increasingly dependent on financial markets for their continued existence.

Housing has entered a post-Fordist, neoliberal or financialized regime (*ibid.*). In terms of the Regulation Approach terms, the financialized, real estate-driven regime of accumulation is embedded in a post-Fordist, neoliberal mode of regulation. This does not imply that housing in general, or housing finance in particular, is completely cut loose from the state. Indeed,

homeownership is supported discursively almost everywhere and supported fiscally in many countries, but at the same time neoliberalism 'undermined the integrative and stabilising dimensions of home ownership' (Forrest and Hirayama, 2015: 241). Increasingly, mortgaged homeownership is there to keep financial markets going, rather than being facilitated by those markets (Aalbers, 2008; 2016), and as the articles in this Symposium suggest, this is increasingly the case for rental housing as well (Aalbers et al, in press; Bernt et al., 2016; Fields, in press).

The concept of financialization has been used for a couple of decades by a small group of academics and other intellectuals, for example in the circle surrounding the Marxist *Monthly Review* (e.g. Sweezy, 1995), but it is only since the global financial crisis that started in 2007, that the term has acquired the status of a popular concept in a range of literatures spanning the different social sciences and the humanities. Some consider financialization an elusive term or a chaotic concept but the fact that one can find dozens of different definitions of financialization is hardly proof of the problematic nature of the concept. Any concept used throughout the social sciences and humanities is bound to be defined in myriad ways, especially relatively new concepts whose usage has spread rapidly in recent years. Underlying many conceptualizations of financialization is the idea that there is a rationale or logic of finance penetrating different hitherto non-financial "things". Building on Epstein (2005), I define financialization as 'the increasing dominance of financial actors, markets, practices, measurements and narratives, at various scales, resulting in a structural transformation of economies, firms (including financial institutions), states and households' (Aalbers, 2017). This is a definition capable of uniting the different strands of the financialization literature. It is an umbrella definition that needs to be précised further in different operational definitions so it can inform empirical research.

The literature on financialization challenges conventional understandings of state-market relationships and contributes to a more complex understanding of contemporary capitalism by showing the contradictions and tensions within the modern capitalist system (e.g. Langley, 2008; Van der Zwan, 2014). Financialization, as a current with contemporary capitalism, should therefore not be understood as an all-evasive process but is rife with contradictions and tensions. Moreover, financialization is not a one-size-fits-all process that unfolds uniformly across spaces; rather, financialization is fundamentally fragmented, path-dependent and variegated (on variegated financialization, see in particular Dixon, 2011; but also Aalbers and Engelen, 2015; Lai, 2016; on variegated capitalism, see Peck and Theodore, 2007). Housing systems, in particular, differ widely across the globe, which implies that housing financialization will be inherently variegated, contingent, fragmented, incomplete and uneven. Housing and housing finance markets have developed in radically different ways in different countries and even countries that are often grouped together in the political economy and welfare state literature have often developed very different housing policies and markets (Aalbers, 2016; Doling and Ford, 2003; Harloe, 1995; Kemeny, 2001; Ronald, 2008; Schwartz and Seabrooke, 2009).

There is a small but growing literature on the financialization of housing that has demonstrated how housing is a central aspect of financialization. Authors have focused on financialization through overpriced and overextended loans (Aalbers, 2012; Newman, 2009; Palomera, 2014; Waldron, 2014; Walks, 2013), through mortgage securitization (Aalbers, 2008; Aalbers et al., 2011; Gotham, 2006; 2009; Langley, 2008; Wainwright, 2009), through credit scoring of (potential) homeowners (Aalbers, 2008; Hall, 2012), through land use planning (Coq-Huelva, 2013; Kaika and Ruggiero, 2016; Savini and Aalbers, 2016), of housing rights (Rolnik, 2013), of private serviced residences (Trouillard, 2013), and of subsidized housing (Aalbers and Holm, 2008; Chua, 2015; Heeg, 2013; Fields, 2015; Uffer; 2014). The financialization of housing demands that 'people from all walks of life to accept risks into their homes that were hitherto the province of professionals' (Martin 2002: 12). Due to the financialization of housing, housing risks are increasingly financial market risks these days–and vice versa (Aalbers, 2008).

In the next section, I will discuss housing as an object of financialization. The subsequent section will focus on the role of housing in the different strands or themes of the financialization literature and indicate how the articles in this Symposium are situated within these themes. At the end of this introductory article, I will show how the articles in the Symposium contribute to the literatures on the financialization of housing and of the state.

Why is Housing an Object of Financialization?

Housing, like other forms of real estate, acts as a highly valued form of collateral. Like precious pieces of art, real estate is considered to have a secure fixed value. But unlike art, mortgage debt and housing rental income offer the advantages of scale, standardization, well-established calculative systems, fixed income (respectively interests-cum-installments and rent) and a highly standardized institutional framework to collect future income streams (Fernandez and Aalbers, 2016). Housing-based wealth, that is housing valued at current market prices minus debt, has risen to historically unprecedented heights, implying that real estate has become more important as store-of-value in the age of financialization. In the Eurozone, for example, housing-based wealth grew from €3.7 trillion in 1980 to €13.2 trllion in 1999 and €24.2 trillion in 2006 (BIS, 2009; ECB, 2006).

A study for 17 selected advanced economies covering the period 1870-2010 found that private-debt-to-GDP ratios remained in the range of 50-60 per cent until 1980, but increased to 118 percent in 2010 (Jorda *et al.*, 2014). Although this is noteworthy in itself and illustrative of the rapid rise of financialization since 1980, it is important to note that the debt explosion was primarily an explosion of mortgage debt. Non-mortgage lending remained stable between 1914 and 2010, always hovering between 41 and 46 percent of GDP—a remarkable small range considering these are the weighted averages for 17 countries during almost a century in which entire societies and economies were completely transformed. What did change was mortgage lending. The mortgage-debt-to-outstanding-private-loans ratio increased from around 30 per cent in the period 1900-1960 to 60 per cent in 2010. Between 1914 and 2010, mortgage loans increased from 20 to 64 per cent of GDP (Jorda *et al.*, 2014). Real estate, and housing finance in particular, is not simply one of the many objects of financialization, it is the key object of financialization.

In recent decades, banks invest less in the so-called real economy and increasingly put their money in financial assets: ‘during the 2000s, lending for finance, real estate and household purposes replaced “productive” lending as the driving force in the loan portfolio of banks’ (Lapavitsas and Powell, 2013: 371). This appears to be an international trend, although there is quite some variation in who receives most of the loans (e.g. real estate firms, homeowners, financial intermediaries). Finance has become the dominant source of profits since the 1990s, a trend that may be particularly pronounced in the US (Krippner, 2011) but can be witnessed in most OECD countries. For the EU27, EUROSTAT (2011) has calculated that the FIRE (finance, insurance and real estate) sectors together contributed to 29% of GDP. Even in Germany, which is said to have a less financialized economy, the FIRE sectors contributed more to GDP than industry (respectively 30 and 20 percent) (Deutschmann, 2011). Furthermore, private equity funds, real estate investment trusts (REITs), housing investment funds and other non-bank financial institutions are increasingly interested in rental housing, and in particular subsidized and other forms of not-fully commodified housing, as Aalbers and Holm (2008; see also Aalbers, 2016), Heeg (2013) and, Fields and Uffer (2016; Fields, 2015; Uffer, 2014) have demonstrated, and to which the cases of Halle and New York in this Symposium provide further evidence (Bernt et al., in press; Fields, in press).

Furthermore, mortgage debt, as any other type of debt, serves as an investment outlet. Next to public debt from core economies, particularly US T-bills and bonds from blue chip companies, mortgages and real estate are strategic "fixed income" products for institutional investors such as pension funds. These three categories of investments are considered high-quality collateral (HQC). There is a large and growing pool of liquidity seeking HQC, fed by four sources (Fernandez and Aalbers, 2016). Firstly, "money manager capitalism" (Minsky, 1996) or "pension fund capitalism" (Clark, 2000), which is characterized by the expanding investment portfolios of institutional investors, from 36 per cent of global financial assets in 1995 to 114 per cent of global GDP in 2009, is looking for new investment opportunities (IMF, 2011). Secondly, there is the "savings glut" (Bernanke *et al.*, 2011), i.e. the recycling of the growing trade surplus of emerging economies of $5 trillion (BIS, 2012). In the US, for example, the supply of HQC increased with $3.1 trillion and $5.1 trillion in respectively the years 1998-2002 and 2003-2007. The slice of the HCQ pie that was acquired by non-residents increased from 22 percent in the first period to 55 percent in the second (Bernanke *et al.*, 2011: 8). Thirdly, in recent years loose monetary policies such as quantitative easing sharply increased demand for HQC. Fourthly, the rise in accumulated profits of transnational corporations in tax havens, amounting to approximately 30 percent of global GDP (Henry, 2012), a direct sign of overaccumulation, pointing to the problematic nature of the absorptive capacity of capitalism in the face of rising corporate profits (Fernandez and Aalbers, 2016).

Compared to alternatives, such as unsecured loans, the size of housing and in particular mortgage markets, even if they are largely nationally-bound, enabled investors to create a liquid marketplace that serves to diversify portfolios globally (ibid.). Through a process known as securitization, mortgage lenders resell their mortgage portfolios in a secondary mortgage market, thereby cleaning up their balance sheets. The move to securitization is far from a global phenomenon, although it has also expanded to the global south as Pereira (in press) demonstrates, but the sale of, and trade in, mortgage-backed securities (MBS) has rapidly become a global market, with investors coming from almost any country in the world (Aalbers, 2015; Gotham, 2006). MBS, like REITs, are financial instruments that have de-linked real estate and place by making the intrinsically local and fixed nature of real estate into something liquid and therefore tradable on global financial markets (Gotham, 2006; 2009).

Housing provides a critical outlet for investments, i.e. it acts as "spatial fix" for an endemic state of overaccumulation (Harvey, 1978). The absorption of capital by housing is one of the defining characteristics of the current financialized, real estate-driven regime of accumulation (Fernandez and Aalbers, 2016). Henri Lefebvre (1974), David Harvey (1978) and others have theorized the connections between urbanization and capitalism, arguing that the built environment has become essential to both creating and storing surplus value, with "finance capital" being in control of this process. Building on this literature, Buckley and Hanieh (2014) have recently argued that in some cases, such as Dubai, urbanization can be seen as a process of financial re-engineering. Furthermore, it could be related to what Crouch (2009) and Watson (2010), respectively, have dubbed "privatized Keynesianism" and "house price Keynesianism", i.e., both a way to fuel the economy by propping up consumption and to "compensate" labour for decades of negligible or even negative real income growth. Or in other words, the financialization of housing resulting in asset-based wealth for the middle, and in some countries also working, classes, although this now appears limited to some generations with younger people increasingly excluded not only from permanent employment but also from (affordable) housing (Aalbers, 2015; Forrest and Yip, 2011).

Housing in the Financialization Literature

The financialization literature is commonly divided into three different strands: financialization as a regime of accumulation, financialization as the rise of shareholder value, and the financialization of daily life. In these different strands housing either plays a minor role or is simply seen as one of the bearers of financialization. Despite the varied analyses of the financialization of housing and the importance of housing to financialization, the relations between housing and financialization remain under-researched and under-theorized (cf. Aalbers and Christophers, 2014; Fernandez and Aalbers, 2016). The financialization of housing is not so much a specific form of financialization, as it transcends several of the different forms of financialization. Elsewhere (Aalbers, 2017), I have discussed ten different themes within the financialization literature and four of these are particularly relevant for the variegated financialization of housing discussed in the papers that make up this Symposium: the financialization *of* non-financial firms, *within* non-financial firms, of the state and the (semi-) public sector, and finally of households.

The literature on the financialization *of* non-financial firms deals with traditionally non-financial firms becoming dominated by financial narratives, practices and measurements. The idea of shareholder value has become dominant in how firms *ought* to be run, and senior managers have become responsive to such demands (Froud et al., 2006; Roberts et al., 2006). One reason that it is important to consider the financialization of non-financial firms beyond the creation of shareholder value, is that many companies are not publicly listed and traded, but still financializing. Financialization changes the way money is made in many industries: there generally is a narrow focus on outsourcing and short-term profits at the expense of integrated development, long-term investment and non-financial innovation. As a result, non-financial firms have increased financial flows to the financial sector through interest payments, dividends pay-outs and share buy-backs (Lazonick and O'Sullivan, 2000; Crotty, 2005).

The increasing financialization on non-financial firms has been noted for a wide range of industries, e.g.: the car industry (Froud et al., 2002; 2006), the so-called "new economy" (Feng et al., 2001), retailing (Baud and Durand, 2012), computing (Froud et al., 2014), pharmaceuticals (Gleade et al., 2014), insurance (Wissoker, 2013), aviation (Muellerleile, 2009), infrastructure (Allen and Pryke, 2013; Ashton et al., 2016; O'Neill, 2013; Torrance, 2008), and real estate (Aalbers, 2008; Guironnet et al., 2016; Smart and Lee, 2003). Many of the papers in this Symposium provide further evidence to the financialization of traditionally non-financial firms. In Halle and New York, landlords are increasingly either financial institutions or publicly listed institutions (Bernt et al., in press; Fields, in press). In Brazil, real estate companies rely increasingly on capital markets as a funding source (Pereira, in press). In Brussels, we see the financial institutions creating real estate subsidiaries as well as developers taken over by financial institutions (Romainville, in press).

The financialization *within* non-financial firms refers to traditionally non-financial firms increasingly partaking in practices that have been the domain of the financial sector. If profits are the bottom line, firm management may be expected to engage in activities that generate the highest profits. As the profit rates in the financial industry for some time were higher than in most of the so-called "real" economy, some non-financial firms became mixed non-financial/financial firms. Derivatives, in particular, proved hard to resist for many formerly non-financial firms. As a result, non-financial corporations increasingly derive profits from financial activities and own a greater proportion of financial relative to non-financial assets (Krippner, 2011; Lapavitsas and Powell, 2013). Financial investments tend to be quite volatile and may jeopardize the survival of the firm, or at least its non-financial activities. An important consequence of this element of financialization is that statistics of the "real economy" versus the "financial sector" have become blurred.

In this Symposium, both the Brussels' housing production sector (Romainville, in press) and the Dutch housing association Vestia (Aalbers et al., in press) are clear cases of traditionally non-financial firms becoming not only dominated by financial narratives and practices, but also the transformation of developers into firms engaging in financial activities (Brussels) and of a non-profit housing provider into a derivatives-trading house (Vestia). Although there are several studies on the impact of financialization on housing after a new, financialized housing provider moves in and buys up housing from non-financialized housing providers (Aalbers and Holm, 2008; Fields, 2015; Fields and Uffer, 2016; Uffer, 2014), we are not aware of earlier studies on the financialization of originally non-financial landlords (but see Hodkinson, 2011).

Regarding the production of housing, Romainville (in press) argues, that it is the least investigated aspect in the housing financialization literature. She not only shows how the production of housing is increasingly financialized but also provides a methodological toolbox that researchers elsewhere can apply to research the financialization of housing production. Romainville demonstrates how the combined financialization *of* and *within* non-financial firms and industries has resulted in 'the blurring between financial and non-financial sectors'. Based on the investigation of a wide range of examples from her study on the production of housing in Brussels, she concludes that

> We can see how diverse the financialization process can be in the housing production sector. There are financial institutions that create their own real estate subsidiary to invest their cash inflows; financial institutions that bought companies which happened to have real estate subsidiaries already. There are quoted real estate companies that moved from office to residential. There are holding companies, diversifying their activities from all sorts of more "traditional" industries, that began to invest in real estate. (Romainville, in press)

The financialization of the state literature focuses on how financial narratives, practices and measurements are dominating different branches of government, public authorities and semi-public institutions. State institutions and semi-public institutions are increasingly dependent on financial markets and are also evaluated in similar ways to firms. Rating agencies provide scorecards for governments, not only national governments but also local ones (Hackworth, 2007). States are not only evaluated like companies, with the popularity of New Public Management both public and semi-public institutions also became managed more akin to private firms than at any time in the past (Hendrikse, 2015). In Gerald Davis' (2009) terms, states became 'managed by the markets'. The spread of New Public Management and of the domination of financial narratives, practices and measurements is not limited to government institutions, but is also apparent in the working of other public authorities as well as semi-public and commodified sectors such as education, health care and social housing.

This Symposium contributes to the small but growing literature on the financialization of the state and highlights the linkages between state restructuring and the financialization of housing (see also Klink and Denaldi, 2014; Montgomerie and Büdenbender, 2015; Robertson, 2014; Wu, 2015). The papers on Halle, Vestia and Brazil push this argument the furthest. Bernt et al. (in press) argue that the interrelations between financialization and state restructuring go beyond the state's facilitation of capital circulation and asset privatization. Instead, they show how new, financialized landlords rely on changes in the welfare system to ensure rental income and how, in effect, the state enables the extraction of capital in weak housing markets *through* the finances of the state. Aalbers et al. (in press) show how the odd case of a housing association loosing €2 billion in betting on derivatives, is embedded in a context where housing associations are cut loose from the state and made to rely on financial institutions for their financial needs. They conclude that 'Whereas other semi-public institutions moved into the world of finance due to financial constraints, housing associations moved in to capitalize on the possibilities offered by their asset-rich portfolios.' Pereira (in press) demonstrates how a massive federal housing programme, named *Minha Casa Minha Vida* (My House My Life) pushed the

frontiers of housing financialization from securitization and large real estate companies to the housing constructed for former *favela* dwellers.

Finally, the financialization of households refers to how financial motives, rationales and measures becoming increasingly dominant, both in the way individuals and households are being evaluated and approached, and in how they come to make decisions in life. One important consequence is a redefinition of citizens into consumers and a further redefinition of consumers as financial assets or cash cows (Allen and Pryke, 2013). As a result of the shift from a Fordist society to financialized society (Boyer, 2000) or portfolio society (Davis, 2009), finance is seeping deeper into the fabric of everyday life and the economic security of individuals is increasingly tied to the performance of financial markets. This implies that there is not only a shift towards the financial sector, but also that non-financial companies, state institutions and households are expected to think more and more in financial terms.

The financialization of daily life or home thesis (Martin, 2002; Aalbers, 2008; Allon, 2010; Langley, 2008; Lazzarato, 2012; Montgomerie, 2009; Palomera, 2014; Pellandini-Simányi et al., 2015) can be related to critiques of the asset-based or property-based welfare thesis that suggest that 'rather than relying on state-managed social transfers to counter the risks of poverty, individuals accept greater responsibility for their own welfare needs by investing in financial products and property assets which augment in value over time' (Doling and Ronald, 2010: 165). Homeownership is discursively supported almost everywhere and fiscally supported in many countries. The ideology of homeownership is constructed through supporting ideologies of wealth-accumulation and markets (Kemeny, 1981; Ronald, 2008; Aalbers and Christophers, 2014). In some cases, states become more interested in supporting mortgage markets than in supporting homeowners directly or in supporting housing developers and investors over tenants, although this is always contested and different state agents may advocate and further different positions. As Fields (in press) demonstrates, by overemphasizing exchange value over use value, financialization transforms the social relations of home. The Brazilian programme *Minha Casa Minha Vida* was launched as part of a set of countercyclical policies in times of crisis and was primarily aimed at aiding the construction sector and in some cases clearing up centrally located *favelas*; yet, one of its many results was the financialization of subsidized homeownership for low- to very low-income households, as Pereira (in press) argues.

Symposium Contributions

There are many ways to study the financialization of housing. One could start from one of the themes outlined above. Alternatively one could take an actor- or subject-centered approach, i.e. focusing on developers, landlords, tenants, homeowners, mortgage holders, mortgage lenders or investors in MBS; a housing-segment- or object-centered approach, e.g. focusing on financialization in different housing tenures or on different elements of the housing cycle such as development, letting or credit scoring and other elements of the loan application process; or one primarily focused on its causes or its consequences. Furthermore, one could focus on different scales, e.g. the formation of global MBS markets, the financialization of a metropolitan housing provider, the financialization of individual housing developments, or the impact of people living in a building owned by a private equity fund. As will become clear from the examples, in practice these lenses overlap.

This Symposium contributes to the literature in different ways. First, although the literature on the financialization of housing has moved beyond an exclusive focus on mortgage debt and securitization, there are still very few papers that focus on other forms of financialization of housing *per se*; i.e., often financialization is a side-show to a different story. This Symposium places housing in the center of financialization debate, but also places

financialization central in housing and urban debates. This brings us to the second contribution. Besides focusing on housing itself, the papers in the Symposium focus on the urban context in which financialization plays out, but also has severe consequences. While Bernt and colleagues as well as Pereira are interested in financialization's relation to local planning, peripheral development, growth/shrinkage and segregation, Fields focuses on the impact of financialization on the daily life of urban dwellers, Aalbers et al on the uneven privatization resulting from the bail-out of a housing association, and finally Romainville explains why housing production is more financialized in some districts than in others.

Third, the articles in this Symposium contribute to a focus on the agents of financialization and in particular those agents subjected to financialized practices. As Nölke and colleagues (2013: 211) have argued, the financialization literatire is relatively 'weak in identifying the specific actors, decisions and institutions that have driven this process.' Furthermore, Pollard (2012: 417; see also Palomera, 2014) has called to expand the 'set of research sites, moving beyond the usual suspects of financial institutions and financial centres to explore how financial metrics and practices are insinuated in parts of life (the reproduction of labour) and sites of life (the household) once held to be beyond the reach of capitalist financial calculation.' The authors of this Symposium do not focus primarily on international financial centres, global financial regulation or investment banking, but rather on the local, everyday practices that contribute to the variegated financialization of housing and how they relate to national and local policies and the transformation of housing structures and welfare regimes more generally speaking. And whereas the literature has argued that people can be remade in financialized subjects (e.g. Langley, 2008), several of the articles in this Symposium show what actually existing financialization implies for these financialized objects and subjects.

Fourth, this Symposium contributes to the small literature on the financialization of the state and (semi-) public sector, by focusing on the financialization of subsidized housing in different contexts (Brazil, Germany, the Netherlands, US). While some may see financialization in terms of 'less state and more market', we argue that states and semi-public institutions are increasingly dependent on financial markets and are also evaluated in similar ways to firms. Often, financialization is not such much limited by state institutions, but these institutions are mobilized and transformed to enable financialization. This is why the structural transformation of the state is intrinsically linked to the process of financialization: the state filters financialization processes while financialization at the same time furthers the transformation of the state itself. The state is far from absent in the process of creating variegated patterns of housing financialization: it is directly implicated in each step that the wall of money takes towards securing HQC in local and national housing market sectors. Some state agents actively—but not always consciously—create the conditions for the financialization of housing and other assets, sectors and markets (Aalbers, 2016), while other state agents may try to limit financialization pressures. Indeed, different arms of the state are often the drivers of financialization processes, e.g. by pushing families into housing debt, by enabling financial institutions to buy up subsidized housing, or by simply withdrawing from providing or regulating the housing sector and opening up the field to rent-seeking financial institutions.

All these forms of financialization are investigated in this Symposium, either by focusing on the financialization of a social housing provider (Aalbers et al, in press), the facilitation of financial actors by national urban policies (Pereira, in press), or the rapid increase of institutional investors in subsidized housing (Bernt et al, in press; Fields, in press). We believe that the financialization *of* and *through* the state is one of the research frontiers to be pushed in the coming years. Research on the financialization of public and semi-public institutions is still in its infancy while the interlinkages between finance and power have also been too much assumed rather than put to empirical scrutiny.

Finally, although this is beginning to change, the existing financialization literature is still dominated by studies from the UK and particularly the US. Besides one paper on the US, this Symposium presents case studies from other countries where the financialization of housing takes place in sometimes similar and sometimes quite different ways. The socio-spatial pattern of financialization in Brazil is not simply a copy of housing financialization elsewhere, but actively reproduces patterns of extreme inequality while at the same time restructuring urban space and dislocating low-income residents. The cases from Germany and the Netherlands, but also the US, show how financialization takes place in the context where the (local) state that was traditionally deeply involved in regulating the housing market to safeguard affordable housing for the masses (rather than only the very poor), but is increasingly transferring social responsibilities, either actively or passively, to financial actors and financial markets. The case from Belgium focuses on something that may not only be a Belgian phenomenon but, as far as we know of, has not been studied extensively elsewhere: the financialization of housing development and construction.

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The financialization of housing is variegated, path-dependent and highly uneven. Not only do levels of mortgage debt and mortgage securitization contrast widely between countries, the financialization of housing producers, (semi-) public institutions and households as well as the rise of financialized landlords is widespread in some countries while almost non-existent in others, but the prevalence of one form of housing financialization is not necessarily related to another form. Thus, we cannot conclude that the *all* housing financialization is widespread in one country because one or two of its forms are. The fact that the financial sector in a country is less developed, as in Brazil, does not imply that housing is not financialized, but it does happen in distinct ways. Future research should investigate differences and parallels between Brazil and other countries in the Global South as well as between the Global South and North (but see Jones, 2012; Rolnik, 2013).

Furthermore, It is possible to combine extremely high mortgage debt and securitization with a limited financialization of the rental housing stock (the Netherlands) or limited mortgage debt and low securitization with widespread financialization of the rental housing stock (Germany). This does not imply that rental housing financialization only takes places in the absence of massive mortgage debt and securitization: some housing associations in the Netherlands are deeply involved in derivatives markets, while Spain and the US combine medium to high levels of mortgage debt and securitization with a rapid rise in the financialization of the rental housing stock. We simply know too little about the financialization of housing production outside Belgium to be able to compare the levels in Belgium to those in other countries as this is also part of housing financialization's future research agenda.

The literature on comparative housing studies, like the literatures on comparative welfare systems and varieties of capitalism, has problems dealing with parallel developments in countries that are considered to be in different types or families (Fernandez and Aalbers, 2016). The actually existing financialization of housing therefore challenges the literature to focus more on the international spread of housing policies and practices, especially those practices by agents that are typically at the periphery of comparative housing studies, such as investment banks and private equity funds. It also suggests comparative housing studies needs to go beyond state practices defined explicitly as housing and welfare policies, and instead embrace a wider range of policies that are enabling the financialization of housing, including but not limited to monetary policies, the regulation of securitization, and policies that guide the practices of (typically foreign-owned) private equity and other funds. The differences between and within countries notwithstanding, we see a common trajectory towards more financialized housing agents and markets, albeit in different domains and at different speeds in different places.

There is little evidence that the global financial crisis and the range of national housing crises have resulted in a de-financialization of housing. Instead, in some countries such as Spain and the US, we see a shift from financialization through mortgage debt to financialization of rental properties. But make no mistake: financialization through mortgage debt has not so much declined as that it has become harder to get a mortgage loan in some countries, especially for younger generations who increasingly find themselves in perpetual causualized labour conditions. In other countries, like Germany, we see how the financialization of rental housing does not result from a crisis in the mortgage market, but is taking place in context in which homeownership is less financialized than in most other OECD countries (although this is also beginning to change). It is almost as if the global pool of liquidity has found an alternative channel of housing financialization in Germany (Wijburg and Aalbers, 2017). The international connections between the different forms of housing financialization suggest that there is more going on than simply some parallels between developments in different countries. The involvement of a number of the same types of agents—sometimes simply the very same investors, banks or landlords—around the globe is further evidence to the argument that there are common trajectories within uneven and variegated financialization rather than radically different and completely unrelated forms of housing financialization.

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