The twenty-first century is already an urban one. Cities are pivotal to sustainability concerns – globalization, climate change, food security, environmental protection, and innovation.

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International investment funds have a growing interest in emerging metropolitan areas such as Mexico City and Bangalore, where the pace of development seems to augur well for significant quick profits. International property investments follow real estate sector strategies and rankings created by property consultants, but still need local intermediaries for information and assistance. The kind of urban development that results from these investments reflects both international and local influences.

“WORLD CLASS” CITIES: HUBS OF GLOBALIZATION AND HIGH FINANCE

In terms of magnitude, shape and implications for sustainability, the articulation or interaction between economic and financial systems and the actual built environment of cities remains largely unknown. This chapter will examine the process of materially producing and re-producing urban spaces. The cities of Bangalore in India and Greater Mexico City1 in Mexico will serve as two points from which to observe contemporary economic and political transformations (Box 1). Both cities are bound up with the economic globalization of the 1990s, through their particular positions in the new, global division of labour – information technology services in Bangalore and the populous business and logistics centre of Greater Mexico City – and because of their status as beachheads for access to fast-growing “emerging markets.” According to international real estate consultants, both cities are “opportunity spaces” for local and especially international investors seeking to profit from the strong demand for the development of urban areas and their infrastructure, equipment and real estate. We will discuss how a more globalized and more “financialized” form of capitalism increasingly shapes the built environment, landscapes and spatial organization of cities in emerging market countries.

By “financialization,” we mean the process of evaluating and managing real estate investments through the same types of financial tools that investors use to evaluate stocks and bonds (Orléan 1999). Using Bangalore and Greater Mexico City

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1. Greater Mexico City refers to the Metropolitan Area of the Valley of Mexico (Zona Metropolitana del Valle de México) an agglomeration that incorporates 59 municipalities in three states: the Federal District, the State of Mexico and the State of Hidalgo.
as examples, we set out to examine the mechanisms by which international capital flows are “fixed” (Harvey 1985) or “land” (Torrance 2008) in urban regions and, by doing so, modify the regions’ spatial organization and landscapes. We will analyse the role of investors who, whether in tandem or in competition with other public and private investors (such as developers, business tenants, individuals or local and national governments) contribute to the material development of metropolises. The chapter thus first discusses how financialization may have effects on all levels of the urban environment, from its physical shape to the evolution of a city’s governance, and is thus central to an analysis of sustainable development.

That said, by taking a closer look at Bangalore and Greater Mexico City, we intend to dispute the conventional wisdom that international real estate investors act independently and with the same facility that they apply to stock marketing investing. Rather, urban societies affect investors’ strategies by making possible the

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**BOX 1  BANGALORE AND GREATER MEXICO CITY: BECOMING GLOBALIZED CITIES**

Greater Mexico City in Mexico, and Bangalore, India, are fast-growing economic beachheads to their countries. Bangalore’s population grew from 4 to 6.5 million inhabitants in the last fifteen years and to a projected 8 million in 2010. The growth is based on high employment rates for skilled labour, moderate salaries and the internationalization of the software industry since the 1990s (Parthasarathy 2004), as well as for outsourced information services, such as call centres, teletranscription, business processes, etc., and since the 2000s, certain high-tech activities such as research and development and biotechnology. This mode of development has created wealth that, through a trickle-down process, can be seen optimistically as benefiting a large part of the local population. The growth model is probably not as inclusive as all that, and feeds strong tensions in the metropolitan area (A. Halbert and L. Halbert 2007). In particular, there is competition for land between salaried technology workers in “globalized” economic sectors and citizens of poor or modest means who work as bureaucrats, shopkeepers and artisans, or in services and light industry (Benjamin 2000). The urban region’s attractiveness for both qualified workers and poor migrants energizes the whole, despite numerous criticisms from all sides against rampant urbanization – conflicts that the local public authorities and the Karnataka State have a difficult time managing.

The result is a transformation of the metropolitan region’s spatial organization (Figure 1). Bangalore’s historical layout, where densely populated working class neighbourhoods adjoined the government’s administrative district and the bungalow city left over from the British encampment (now renovated into the Central Business District), has been totally reconfigured by dynamics that combine multiple business clusters and sprawl. Where military and State enterprise claims over the land kept the early population sparse, the city has now become a sprawling metropolis that stretches out 30 to 50 kilometres at its rural edges. There are also new “modern” business clusters emerging: because of competition for land, the cluster around the M.G. Road has grown denser, and the secondary cluster of Koramangala is expanding, whilst new business centres emerge on the periphery of the city around business parks and shopping malls.

The 2000s have witnessed the building of several dozen kilometres of high-tech-oriented-zones, ranging from additional development for Electronic City in the southeast to Whitefield in the east, with its emblematic International Technology Park, Ltd., developed by Karnataka State and the Singaporean investor, Ascendas (A. Halbert and L. Halbert 2008). Other recent dynamics, such as the opening of a new international airport 50 miles to the north of the metropolitan area, or development projects for five new private cities around Bangalore, reinforce their “multipolar” spatial character, i.e. their organization around several centres of activity. Land competition forces the “local productive economies” (including light manufacturing such as textiles, the factories inherited from the Socialist era, as well as the informal economy) and their workers to move to peripheral areas. This produces a break-up of agglomeration economies that cannot be reproduced over a scattered area (Benjamin 2004).
integration of international capital in real estate projects. In this process, which we call “commutation,” local urban societies have a direct influence on the practices investors use to access the metropolitan territory they covet. In other words, governments and local societies have an unrealized power over international investors because the investors need to negotiate their place at the table with other international, national and regional actors – those who have local relationships and expertise, and who are part of social networks essential to doing business.

**THE INCREASING POWER OF INTERNATIONAL INVESTORS**

From the 1980s to the current and probably temporary slowdown due to the financial crisis, international investors have had ever-increasing amounts of capital to invest. A share of these funds was placed in so-called “alternative” investments, such as real estate, to diversify portfolios. Fund managers increased the number of

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1 The term “megalopolization” was coined in 1957 by the French geographer Jean Gottmann to describe the emerging city-region that today stretches from Boston to Washington D.C. The term now refers to a vast urban region made up of several metropolitan areas that are interconnected by dense road networks and functional relationships.

2 According to the OECD (2004), in 2001-2003, 75% of jobs in Mexico were service-related, of which a third were considered “informal,” i.e. without secure employment contracts, worker’s benefits, social protection or workers’ representation.

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of Mexico that we call Greater Mexico City has also seen its spatial organization transformed recently, due to massive population growth since the 1950s. By 2009, Greater Mexico City had nearly 22 million inhabitants. The urban area has extended beyond the Federal District that was originally designed to manage the metropolis, towards two neighbouring federal states. The region is undergoing a vigorous process of “megalopolization” (Garza 2000). The metropolitan area of Greater Mexico City is being linked to a network of secondary cities that surround it (Figure 2). This spatial dynamic operates even inside of the Greater Mexico City, where new business clusters are emerging along the main transportation routes. These transformations are linked to the economic evolution of the metropolitan region. Before the economic crisis of the 1980s and the liberalization of Mexico’s economy in the 1990s, Greater Mexico City was the largest industrial centre in the country. With the signing of NAFTA (North American Free Trade Agreement) in 1994, and the construction of maquiladoras (export assembly plants) along the US-Mexico border, Mexico City de-industrialized to the point at which the retail and services sectors, which includes a large share of informal, undeclared jobs, have become predominant. However, the retail and service sectors are not really economic engines because of their low level of wealth creation (Herniaux-Nicolas 1999). However, despite a slowing of economic growth, Greater Mexico City is the main area of consumption in the country. This factor, associated with its status as the political capital of the country, encourages most multinational companies to set up headquarters or an office there. It explains why office-building construction was so strong from the end of the 1980s to the first half of the 1990s. In fact, beyond the effects of the 1985 earthquake that destroyed many government buildings, the arrival of foreign businesses stimulated the emergence of new business centres. The business centres contributed to a more vertically built environment and were organized along radial lines. In Greater Mexico City, real estate investors identify sites for office buildings all along the main roads, such as Paseo de Reforma, the road from Mexico City to Toluca, the ring road (El Periférico), and the Avenue Insurgentes. This trend is seen elsewhere in recent construction and the commercial and logistics activities that are under heavy development. A recent census found no fewer than a hundred “service sector corridors” that feature concentrations of activities such as retail stores, banks and restaurants (Pradilla 2008). Along with these services corridors there are several logistics corridors in the north of the Greater Mexico City area, e.g. near the municipality of Cuautitlan Izcalli.
FIGURE 1  BANGALORE: A “MULTIPOLAR” METROPOLIS

Bangalore Metropolitan Area (India)

Urban Morphology
- Dense indigenous city
- High-end residential neighbourhoods
- Mixed areas (dense housing and light industry)
- Low-density areas under transformation and low-density urban fringes
- Satellite towns
- Government area (including Military area)

Major activity hubs
- Central commercial and business districts
- Administrative district
- Hi-tech zone
- Industrial zones
- Large roads
- Intra-urban green belt, Forests and farmland

Sources: based on a map compiled by L. Halbert and H. Rouanet; Bangalore Revised Master Plan 2015 (2007); C. Didelon (2003); A. Varrel (2008); Bangalore City Map Book Eicher (2005); Aranya (2008).
locales acceptable for investment to spread geographic risk and profit from growth in emerging markets.

Since the 1990s, observers have noted an increase and acceleration in investment flows into the construction of infrastructure and urban services in general, and in commercial real estate in particular (Figures 3 and 4).

Financial services companies, such as banks, insurance companies, mutual companies, pension funds, hedge funds and private equity companies, collect huge amounts of capital of their own and from third parties, which they invest in infrastructure and real estate projects. The funds are smaller than those invested in the largest stock markets, but are potentially very large in terms of the cities where they are invested. The financial institutions have become major actors, in the style of the
Swiss pension funds that increased investments in the Swiss real estate market and are the primary holders of national real estate assets (Theurillat et al 2006). International capital flows are made possible through the liberalization of investments. They have stepped up, in particular, with governments’ frequent recourse to public-private partnerships, where private investment is used to finance urban development and the management of equipment, infrastructure and networked services.

Emerging market countries are not to be outdone, given their great need for financing urban development. The participation of certain metropolitan regions in the re-deployment of international value chains, e.g. the export assembly factories in Mexico, the IT industrial parks in India, the factory workshops of China, and the Russian and Eastern European engineering firms – comes about because of and in support of international investors. The partial abandonment of protectionist policies after 1990s in favour of policies of “opening” has thus transformed some terms of producing urban spaces in these countries.

**FIGURE 3** **THE CITY: A SPACE FOR INVESTMENT**

<table>
<thead>
<tr>
<th>Global Commercial Property Investments*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000-2008</td>
</tr>
<tr>
<td>in billions of dollars</td>
</tr>
<tr>
<td>*Excluding residential</td>
</tr>
</tbody>
</table>

Source: Cushman & Wakefield (2009).

**FIGURE 4** **THE REAL ESTATE BUBBLE BURSTS**

| Global Commercial Property Investments , |
| 2000-2008                              |
| in billions of dollars                 |

**Latin America**

**Asia**

**North America**

**Europe**

Source: Cushman & Wakefield (2009).
BEYOND GLOBAL VALUE CHAINS TO GLOBAL INVESTMENT RISK MANAGEMENT

The dynamics that led to “the city being seized by financial interests” (Renard 2008) are linked in part to the global fragmentation of production activities. Outsourcing and global supply chain management by multinationals, and the participation of regional businesses in long distance trade, have fed a demand for infrastructure and specially-adapted buildings and office parks. The existence and quality of infrastructure is a determining factor in a territory’s ability to participate in the globalization of production.

In the case of commercial real estate in newly opened countries such as South Africa, Brazil, India and Mexico, the entire value chain and local and national investment were turned upside down. This is partially because of multinational companies setting up offices in the largest cities of the world: cities drew international investors that fabricated the office buildings they needed, which the investors very often rented to their peers. When the retail chain Walmart opened 180 stores in Mexico in 2008 and projected opening more than 250 stores for 2009, a whole set of specialist real estate developers found a rich vein to mine. Such is the case for Mexico Retail Properties (MRP), which was created in 2003 by two North-American based real estate investment companies, Equity International Properties (EIP) and Black Creek Group, and which develops shopping centres almost exclusively around Walmart group stores, including Aurrera, Suburbia, Sam’s Club and Superama.

The increase in international real estate investments also results from the portfolio management strategies of fund owners. True to Markowitz’ (1959) portfolio diversification theory, for example, fund managers spread their investments between locations with complementary characteristics, which brings together infrastructure and equipment that are geographically very far apart but are evaluated and managed in a very similar way (Torrance 2008).

EIP does nothing else once finance capital has been gathered from financial institutions (banks, insurance companies and pension funds) and invested for third parties in funds where the principle features are defined by contract. Generally speaking, an investor relying on this type of real estate investment company commits his capital for a specific amount of time, whether five, ten or fifteen years; for a risk level, i.e. core, value-added, or other targeted return; and very often for a type of building or infrastructure, as well as a targeted geographic location or locations. For EIP, the first fund that opened in 1999 focused mainly on Latin America and acquired minority shares in real estate companies according to three classifications: by country, such as Mexico or Brazil; by type of property, such as industrial, residential, commercial, or hospitality; and by type of activity, i.e. development, construction or financing. The two follow-on funds were extended to include Asia, the Middle East and Europe.

International investors are implicated to a greater degree in the reproduction of cities that they help finance and in which they hold a “piece of the action” or a share in a building or part of a city. These investors “financialize” the city to the extent that they apply tools that guide their investment decisions in terms of the production and
holding of buildings, infrastructure and urban equipment. For example, N. Aveline-Dubach (2008) writes: “With global finance, real estate has been financialized and has become an investment vehicle like any other financial asset. The real estate industry has adapted to this changing situation, inventing new forms of investment such as real estate securitization (transformation a real estate portfolio into financial stocks) and by borrowing analytical tools from finance.” (Aveline-Dubach 2008: 7)

Meanwhile, the territory does not function as a simple receptacle of external financial systems. Certainly, real estate fund managers have adopted so-called “dynamic” management methods, which, according to them, depend on three things: (1) the constant search for investment opportunities; (2) re-investment in assets held to increase rental returns; and (3) a policy of “dynamic arbitrage” at the time of sale. To some extent, investment managers scrutinize the city on a quarterly basis (Clark 2000). However, if international investors are increasingly important for financing of real estate projects, it is only because urban societies enable them to be, and in doing so, participate in the shaping of the international investors' strategies.

THE FINANCIALIZATION OF CITIES IS A PROCESS OF “COMMUTATION”

Even if it can be said that the arrival of international investors “financializes” property development, the current dynamic can be analysed more accurately as a “commutation” process (Halbert, Rutherford 2008), in which various actors participate in long distance networks that circulate international capital until it reaches the built environment. Looking at the actual form of investments helps explain the relationship between the deployment of a more financialized capitalism and the process of creating a metropolitan area. In Greater Mexico City as in Bangalore, whether directly (through one or more properties), or indirectly (through holding shares in a real estate investment trust or in land), fund managers need to negotiate with the resource holders who can interconnect the financial systems with the urban territory: that interconnection is a function of commutation.

LOCAL INTERMEDIARIES PREPARE THE TERRAIN

Commutation implies friction between different spheres of activity, such as finance, property, buildings, regulations, etc., and different scales, from a single building site to the distant office of a given investor. The deployment of new structured investment products and other practices by institutional investors only becomes possible when agents in the targeted territories make themselves capable of collaborating with international investors. This is because of the limited liquidity of property markets and

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2. A market is said to be liquid when its products can be traded rapidly, which depends on the volume of transactions. Property markets are considered to be relatively illiquid because of transaction costs and constructions delays. Their financialization tends to increase property markets’ liquidity through the creation of publicly traded property companies, the development of transparent information, comparative indicators and the construction of standardized buildings.
their relative opacity\(^3\) (Clark and O’Connor 1998), particularly in emerging-market
cities where lack of tracking tools and studies limits information access.

For example, Cuautitlan Izcalli’s logistics corridor north of Greater Mexico City
has become very desirable to investors since 2000. In the 1990s, national developers
built several logistics parks along its main highway. In turn, Walmart and other
well-known multinational companies set up their logistics centres along the road.
Following on the interest of the multinationals, international investors came to the
Greater Mexico City region at the beginning of the 2000s and saw the municipality
of Cuautitlan Izcalli as an investment opportunity. However, much of the land was
part of the ejidos\(^4\) system of cooperative agricultural land, held in common tenancy
by rural families and passed down through generations. While the privatization and
sale of such land has been authorized since 1994, the procedure for getting unani-
mous agreement from a community of owners is long and complex. After working
on it for more than a year, a small developer was able to set up an agreement with
one such community to put its land up for sale and offer it to international investors.
This developer facilitated the articulation between financial and other constraints
related to the real estate market in specific locales. This example shows how diverse
resources from more or less formal organizations can be mobilized by individuals
who use their social networks, their personal knowledge and survey the metropolitan
region to identify saleable land and clients.

Putting sufficiently large land parcels together requires knowledge that only local
specialists possess, particularly in countries where land titles are often contested.
Local specialists can obtain cooperation from the owners – sometimes by force –
and the clearing of titles and usages rights from local authorities. In political and
administrative systems where economic agents openly acknowledge corruption,
local intermediation is crucial to attract institutional investors who are less inclined
to get involved in such arrangements. In all, no matter the extent of the inves-
tors’ globalization, the capital that has been collected on international markets can
only effectively “land” on a given real estate project after testing the territory and
negotiating with the organizations/and individuals that control the targeted terri-
tory. This requires facilitators who provide valuable site-specific information and
reduce entry costs.

**LOCAL FACILITATOR IS KEY**

How the facilitator works can be illustrated by looking at a manager working in a
large developer’s land management office in Bangalore. His life story shows the
importance of having a Rolodex of contacts and being part of a local metropolitan

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3. The opacity reflects the private and specific nature of information related to a given property transaction,
which makes it difficult to compare with similar goods. Opacity is often a comparative advantage for the party
that possesses this private property-specific knowledge.

4. The ejidos or cooperative land system was created after the 1910 Mexican Revolution as part of a movement
to restore land to Mexican peasants.
company. The manager comes from a Bangalorian family whose business was pharmaceuticals distribution. In the early 1990s, he started two businesses, using his family’s network with varied success. Benefiting from his Rolodex, he went into real estate just as it was going through its first boom years in the second half of the decade. Known for his entrepreneurial qualities, the manager made the most of his connections to property owners, politicians and local businessmen, which allowed him to identify real estate opportunities: “I know a lot of landowners from Bangalore. I have a very large network of friends, who go back to grade school, my career as a businessman, and now my new job here (at the property company). I’ve met people in very different social circles and kept up good relationships with businessmen and landowners...

Everyone has political connections today, there’s no doubt about that, everyone is very well-connected. It’s a small world, really. It’s necessary if you want the powers that be to move our business ahead. It’s about that simple, in fact: I know you and I can use your resources so you can get something for me. If you are well connected politically, so much the better – I can take advantage of your resources. All of that is important because some of the landowners are politicians. It’s not the case for the majority of our transactions, but it happens sometimes. And then, often we buy land from the public authorities... in such a way that our contacts are very valuable. For example, when we go to a minister and we have to ask for an authorisation for, let’s say, so much land, and we ask someone to please have a look at the file nicely, please, and to try to do what he can to move it ahead...

Money is everywhere in this world...there is money made by everyone in real estate. But that’s not all, it’s also a question of contacts. It’s your ability to use the tried and true services of people you know that matters for doing business.” (Source: Authors’ interview in Bangalore on 5 March 2008).

WHOSE WORLD-CITIES ARE THEY?

International institutional investors concentrate the majority of real estate investment in the major cities of industrialized countries and emerging markets. International real estate consultancies, such as CB Richard Ellis (CBRE), reveal an especially selective geography: according to the depth of the analysis, the “useful” world for real estate investors is reduced to a few hundred, or even just a “Global 50” cities (Figure 5). This “geography of opportunities” is very selective, and when investors become interested in second- or third-tier cities like Mysore and Mangalore in India, or Lyon and Marseilles in France, it is for the purpose of diversification. The “useful” world thus appears as a hierarchy between places that are evaluated according to risk diversification strategies.

The investors’ rationale is to select spaces that have sufficiently large market volume to be relatively liquid. These sites also need to have an international-standard real estate consultancy industry and national legislation that favours property investments. Taken together, the criteria create a sort of “herd mentality” or tendency to copy extant strategies that some observers attribute to investors using the same
comparison tools and data (Henneberry and Roberts 2008). Spatial concentration of investments therefore results from the process of commutation, whereby international investors can decide to invest only if and where actors and tools permit it (such as CBRE’s reports, legal authorisations, etc.), as much as it is a product of contemporary agglomeration economies.

Take the case of Bangalore’s metropolitan area. There has been an exponential growth in the demand for modern commercial real estate, despite two downward cycles during the crises of the late 1990s and 2008-09. Bangalore is regularly cited as one of the top five cities in the world in terms of having the most square metres of commercial space, alongside London and New York. Traditionally, development was supported by partnerships between the local land-owning notables and regional developers, using bank credit. International investors who have taken advantage of the opening of India’s borders since 2005 have also financed the most recent real estate projects. They prefer certain neighbourhoods, such as the central business district near M.G. Road or Koramangala, and smaller business centres, particularly in the southeast quadrant that links the two big high-tech parks, Electronic City and Whitefield (Figure 1).

The herd mentality of international investors also shows in their choice of projects. Buildings developed with international funds follow so-called “international” standards and tend to be very large projects because of the large amount of capital funding available. In Bangalore, the preferred projects are those that offer very high internal rates of return of around 25%, and are all five-star hotels, class A office buildings or office parks for prestigious tenant companies. In the wording of the marketing brochures, we find ourselves in “world-class” cities.

FINANCIALIZATION AND THE FABRICATION OF TWO-TIERED CITIES

The developers who partner with property investment funds are often asked to change the way they work to collaborate with both the local real estate industry and the fund manager. They must produce comprehensive information about their company, their past activities, their financial situation, etc. They must also be capable of following the steps of property investing, of calculating and evaluating the criteria that the fund managers take into account when determining the interest of a project. In the case of Greater Mexico City, real estate development companies rush to find professionals who speak fluent English and who understand finance. Through the typology of buildings in which international investors invest, new “international” property standards spread to local real estate markets.

This dynamic affects the whole industry. The criteria for quality and security promulgated by so-called “institutional” developers working with international finance capital quickly become the reference points for all other market participants.
The buildings produced meet the needs of only the most creditworthy regional purchasers or renters. Businesses with lesser purchasing power, slow-growing local industries or the informal sector have no option other than looking to other investors to finance the space needed, or, in many cases, suffer the consequences of a competition for land that is lost before it starts. Thus the process favours a highly selective roster of “useful” places, and leaves aside a great number of urban areas that do not benefit from “global” capital accumulation (Harvey 1982): the precarious workers’ encampments that spread out beneath highrises, or working-class neighbourhoods far from the beaten tracks of the financialized city. In Bangalore, real estate developers and investment companies have produced a city of swimming pools in condominiums within a city where 800 low-income families must share one water source (A. Halbert and L. Halbert 2008); a city where air conditioners run off their own generators within a city with chaotic cuts in electrical service.

In the last five years, developers and investors seeking a “green” brand for themselves led a trend toward a certain kind of “sustainable development,” based on buildings that were supposed to be more respectful of the environment during their construction phase and active lifetime (I. Nappi-Choulet 2009). The “green” image is still largely conceived as being about (predominantly) technological choices aimed at environmental preservation, rather than being aimed at any of the economic or social objectives of sustainable urban development.

The regional political and economic dynamics have also changed. The arrival of international finance capital allows certain market participants to gain influence over the real estate industry and in the political arena. The well-established real estate industry developers and advisors in Bangalore had a strong influence on redrawing the lines of governance for the metropolitan region, notably by publishing their positions in the press (A. Halbert and L. Halbert 2007). In Mexico, the battle for transparency reinforces power struggles. On one side, international institutions that a priori lack local social contacts fight for a better information flow to facilitate the rapid development of the international market. On the other side, the (usually) local actors, especially certain entrepreneurs and politicians, try to maintain their position by limiting the circulation of information – their fundamental comparative advantage within traditional social and economic systems. Thus while “growth coalitions” can have an effect on the built environment of these metropolitan regions, the points of convergence follow relatively variable lines that do not systematically invite participation by international investors. The hackneyed local power struggles behind the fabrication of a city repeat themselves yet again with the arrival of international investors, even if the nature of the resulting game is not predetermined, especially because of the location-specific factors affecting the commutation process of international real estate investment.
CONCLUSION

It may be appropriate for cities to leverage international investors to finance urban development in the name of economic development – particularly because of the way urban regions must adapt to the needs of potentially very mobile companies. It may be appropriate even in a capitalist system, because of the urgent investment needs of fund managers who contribute to collective functions, such as insurance and retirement pensions, etc. And finally, this leverage may assist urban regions facing reduced funding from national and local governments. However, the question of spatial organization, of regulation and the negotiation of the type of “city” international investors help fabricate, remains open to debate. In formerly industrialized countries as in emerging markets, the capacity to encourage sustainable development assumes that certain factors can be used as investment criteria, although with different terms. The criteria should include three elements:

1. Address economic issues by strengthening the ability of tenant companies to compete, via construction adapted to their activities, whilst still accommodating industries or economies considered necessary for economic diversity or job creation.
(regardless of economic viability), 2. Take social considerations into account to avoid creating two- or several-tiered cities, 3. Address environmental issues by accepting the challenge of a type of development that is less predatory in terms of all resources, including natural ones.

A better understanding of the international real estate investment process is therefore necessary to identify at which times and by what means a government and a metropolitan society can negotiate with international investors who often, and incorrectly, appear all-powerful.
WORKS CITED


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