

Request for proposal

Study on the contribution of digital actors to the financialisation of real estate, in a comparative perspective

About the Urban School and the CITIES, HOUSING AND REAL ESTATE CHAIR

Founded in 2015, the Urban School deals with all the challenges of contemporary societies intersect in the city: growing inequality, economic development, conflict, cultural hybridisation, relations between government and the governed, democracy and collective choices, accumulation of data and technologies, pollution, police, mobility, financialisation, etc...The purpose is to educate those who will transform the world through the city, using a structured, professionally-focused, critical and comparative approach.

The aim of the "Cities, Housing and Real Estate Chair" is to contribute to analysis of changes within the real estate sector, from the unique perspective of an approach rooted in the theoretical and methodological tools of the social sciences.

Many of the major developments affecting members of the real estate sector today fall within this scope of analysis: examples include changes to public housing policies (national and local), the dynamics of metropolisation, the impact of climate change on cities, or socio-demographic shifts within cities and regions.

The health crisis (Covid-19) reinforces a number of questions and opens up research perspectives on the nature of real estate production, its financing, and its geography for years to come.

Finally, at a time when French property developers are increasingly involved in the production of urban spaces and when large-scale metropolitan projects (such as France's Grand Paris Express rail network or consultations like the "Inventons la Métropole du Grand Paris" initiative) are redefining our ways of thinking about real estate projects and public/private sector interaction, a more systematic analysis of property challenges through the prism of contemporary urban dynamics seems more essential than ever.

Four sponsors have agreed to support the chair over the course of a three-year partnership: CDC Habitat, FPI France, Gecina and Eiffage Aménagement

Study background

The financialisation of real estate refers to the intensification of links between financial markets and real estate (Aalbers, 2016). This process refers to technical and financial innovations

that have made real estate (offices, shops, but also housing) alternative assets to traditional financial products (government bonds, shares, etc.) in different geographical areas of the world.

In France, the phenomenon has mainly affected tertiary property, following the office property crisis of the 1990s and the emergence of opportunistic investment funds (Nappi-Choulet, 2011, 2013). Office property has become a popular financial asset, while housing, which is comparatively more complicated to manage, has remained on the sidelines of this phenomenon (Nappi-Choulet, 2012). Recent research on the return of institutional investors in France has pointed to a growing interest in housing, countered by the difficulty of financial players to penetrate the market (Kireche, 2021). One of the conditions for opening up local property markets is therefore to free the asset from its spatial fixity (Gotham, 2009).

The issue of intermediation is therefore central to these processes, and now goes beyond the study of the traditional role of brokers.

With the emergence of digital players, all real estate-related professions are being shaken up: financing, construction, commercialization, and rental management. These players are transforming the relationship with buildings and property, are therefore participating in their own way in making real estate more liquid and opening the doors of local real estate to more distant players.

A comparative study of the contribution of *Fintech* and *Proptech* players to the processes of financialisation would therefore be an important contribution to this literature.

Analytical scope

The study should contribute to answering the following question: *To what extent does the emergence of digital players in various fields contribute to accelerating the dynamics of financialisation of real estate?*

Study should notably take into account within its scope the following questions:

- What is the impact of the emergence of these actors on the functioning of local real estate markets (price evaluation, market transparency/information to investors)?
- How do these actors contribute to the transformation of real estate intermediation, and facilitates the link between the global financial markets and local real estate?
- In which cases can these players replace banks in transaction financing, or complement bank financing?
- What is the impact of these actors on the evolution of forms of ownership and helps to make real estate "more liquid"?
- What are the effects of the emergence of these new players on other market players, especially households?

Methodology requirements

The study should aim at analyzing the contribution of digital actors to the financialisation of real estate, in a comparative perspective

Several fields will be selected, according to criteria to be justified, in order to analyse the phenomenon in question in various urban and national contexts.

Applications from individuals or groups of researchers are accepted

It should be written in English to reach a wider audience.

The format of the deliverable is :

- a research report of 80-100p pages
- a communication document, for a wide audience, of 5 to 6 pages
- a working paper containing the main elements of the work

Study timeline

Task	Duration
0. Kick-off meeting	1st week of january
1. Definition of scope and methodology	3rd week of january
2. Validation of methodology and steering framework	4th week of january
3. Research	April 30 th
4. First Report drafting	May 20 th
5. Review	May 30 th
6. Validation	June 15th
7. Final drafting	June 20th
8. Review	June 25th
9. Validation	June 30th
10. Paiement	30% at the time of signing the contract (December 2022)

	70% upon validation of 9 th step ("validation")
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Elements of proposal

Proposal should include the following elements:

- Timeline and deliverables
- We kindly ask to limit the size of the proposal to approximately 6 pages.
- A motivation letter (from the project coordinator)): project presentation and methodology proposal
- A CV and a complete list of publications (of all those involved in the project)
- 3 major publications (of all those involved in the project)
- **A provisional budget, detailing the nature of the expenses, and the distribution of the remuneration in case of application of a group of researchers**

Please submit the proposal by 20th November 2022 by sending an email to nordine.kireche@sciencespo.fr

Funding

The budget allocated to the project is €39,000

Selection Committee

All applications will be examined by the Selection Committee. The selection committee may ask for a zoom interview for clarifying elements of the proposal and its timing.

The president of the selection committee is **Prof. Tommaso Vitale, Dean, Sciences Po Urban School**. The selection committee is also composed by:

- Dr. Nordine Kireche, Chair Director
- Sciences Po Permanent Faculty Members