Geographical Research

Geographies of hyper-commodified housing: foreign capital, market activity, and housing stress

Dallas Rogers,[1]* Jacqueline Nelson[2] and Alexandra Wong[3]
[1]*School of Architecture, Design and Planning, University of Sydney, Sydney, New South Wales, Australia*
[2]*Faculty of Arts and Social Sciences, University of Technology Sydney, Sydney, New South Wales, Australia*
[3]*Institute for Culture and Society, Western Sydney University, Sydney, New South Wales, Australia*
**Corresponding author. Email: dallas.rogers@sydney.edu.au*

Received 14 July 2017 • Revised 27 October 2017 • Accepted 29 January 2018

Abstract

The latest manifestation of Asian-led foreign real estate investment in some global cities is contributing to housing becoming a liquid, global asset. Drawing on empirical data about Sydneysiders' reported levels of real estate market activity, housing stress, and views about foreign real estate investment, we found that those who are financially invested in Sydney's local real estate market are generally more supportive of the presence of foreign investors and investment than are those not invested in that market. We also found that there were no significant comparative differences in beliefs about foreign investment between those who are in housing stress and those who are not. On the strength of those findings, we ask whether a degree of commonality is developing around a set of ideological reference points related to the commodification of housing. As housing in global cities is increasingly commodified and financialized, these ideological reference points could be boosting its commodification across boundaries of cultural difference and political jurisdiction. We conclude by suggesting the need for a new line of inquiry through which scholars could investigate the politics of globalised hyper-commodified housing in order to expose the ideological reference points that serve to bolster the commodification of housing.

Keywords *financialization; commodification; housing and housing affordability; foreign investment; real estate; Sydney, Australia*

Introduction

Political economy analyses of the roles of housing, labour, and capital in producing inequality are re-emerging in pronounced ways in housing studies. Madden and Marcuse (2016, p.26) argue that in the second half of the twentieth century housing became a liquid, global asset. Similarly, Fernandez and Aalbers (2017, p.154) chart the changing political economy of housing, with houses being increasingly valued as metaphorical repositories within which to store and grow different kinds of capital, or housing construction being valued as a driver of the economy. These ways of valuing housing as a financial process can work against habitational and other value frameworks that are not based on capital accumulation. Christophers (2017, p.2) turns to the familial context to question intergenerational inequality. Much like Piketty (2014), Christophers argues that while the focus has been on gauging differences in capital accumulation between generations—for example, analysis by age—scholars should direct their attention to understanding the transmission of capital between generations—for example, analysis by class. Porter and Barry (2016) show how racial land claiming practices of the colonial era have effectively covered over the Aboriginal lands of the

Wurundjeri peoples in one part of southern Australia, which has been renamed the city of Melbourne. These Wurundjeri lands are 'under heavy and mounting pressure from rapid urban and housing development' to service both domestic and foreign real estate buyers (Porter & Barry, 2016, p.10). 'As real estate has become more amenable to capital flows, capital flows have also been rescaled', Fields argues (2017b, p.4), before suggesting not only that 'real estate is easily transformed into a liquid and tradable commodity, [but that] capital can also shift "in and out of different types of market in different corners of the globe"' (*ibid*, citing Schoenberger 2004, p.431). As such scholarship shows, both the commodification and financialization of housing have clear spatio-temporal dimensions that exceed the nation state (Aalbers, 2009, 2016, 2017; Fields, 2017a, 2017b).

The different policy settings for regulating foreign and domestic capital investment in real estate are spatially-mediated demarcations. Each policy setting regulates how a dwelling—in some cases even the same dwelling—might be used to hold and grow capital in different ways. Territorial boundaries and citizenships are defining criteria in these policy settings, and a form of nation-state-centrism often frames ensuing public and policy discussions about foreign real estate investment (Rogers & Dufty-Jones, 2015; Wong, 2016). Thus, there is a spatial politics to the hyper-commodification of housing in Sydney that extends beyond the city and nation (Fernandez *et al.*, 2016; Ley, 2011, 2015; Madden & Marcuse, 2016; Rogers, 2017).

On such understanding, in this paper we present empirical data that explore the geography of hyper-commodified housing. The phrase "commodified housing" often refers to the ways in which the habitation function of the dwelling becomes secondary to the capital accumulation "real estate" function of the dwelling. The idea of hyper-commodified housing builds on this definition and captures all of the material, social, and legal functions of the dwelling in the commodification process. In hyper-commodified housing systems, the materiality of the buildings and the land, the human and mechanical labours that are used to produce and maintain dwellings (and land), and the policies and laws that regulate private property and tenancy management are all reconceived as processes that can be commodified. In other words, these material, social, and legal functions are turned into commodities, and the dwelling is increasingly valued for how it functions in this hyper-commodified housing system (Gillon, 2017; Madden & Marcuse, 2016). In Sydney, evidence of a hyper-commodified housing system includes the sell-off or transfer of public housing (Darcy & Rogers, 2014; Fitzpatrick & Pawson, 2013); weak tenancy rights for renters and strong private property laws (Dufty-Jones & Rogers, 2015; Taylor & Dalton, 2015); highly leveraged mortgage holders (Atalay *et al.*, 2017); favourable taxation settings for real estate investors (Dufty-Jones & Rogers, 2015; Taylor & Dalton, 2015); declining first home buyer rates and increasing rental periods for younger Australians (Colic-Peisker & Johnson, 2012; Dufty-Jones & Rogers, 2015); the rise of housing asset-based welfare (Doling & Ronald, 2010); an increasing number of investors in the market (ABS, 2014, 2016); and increasing amounts of Asian foreign capital invested in real estate (Liu & Gurran, 2017; Rogers *et al.*, 2017; Wong, 2016).

The financialization of housing is a related concept (Aalbers, 2016; Aalbers, 2017; Fields, 2017a, 2017b). In the broadest sense, the phrase refers to the increasing presence of a range of actors and organisations creating or using real estate management, mortgage, and financial instruments to profit-seek. The idea of commodified housing is focused on the dwelling as a repository for storing and growing capital, while the financialization of housing has a slightly different emphasis, focusing on actors (bankers, financiers, mortgage brokers, rentiers) and organisations (financial institutions, banks, institutional landlords) as mechanisms for capital accumulation, rather than on dwellings *per se*. Indeed, key financialization actors may never see the physical dwellings that underwrite their profits although, as the global financial crisis showed, their actions can have dire consequence for those who occupy these dwellings. For example, in Australia, the mortgage industry may have started as an enabler of housing construction and household security, but it has since been incorporated into global corporate banking practices in which the mortgage market is a commodity in excess of its relationship to housing construction and habitation.

Within the wider globalising hyper-commodified housing system (Madden & Marcuse, 2016), the local real estate of so-called global cities is increasingly drawn into global circuits of capital to be reconceptualised as global assets. Digital real estate and financial technologies[1] are central to the financialization of local housing at the global scale. These technologies increase the speed with which, and expand the scales over which, local real estate in key global cities is transformed into various digital, global commodities that can be traded across vast distances. Within this global system, a range of brokerage industries have emerged with business models based on helping transnational customers to buy real estate across national boundaries and to navigate the interrelated policies and laws that regulate foreign real estate investment, transnational migration, and foreign education (Brooks & Waters, 2018). Combined, these "brokerage assemblages" have commodified transnational real estate sales, mortgage services, tenancy management, and the new middle class mobilities and data that are produced by their services (Robertson & Rogers, 2017).

A range of spatio-legal demarcations that were fortified in the mid-twentieth century and that underwrote the real estate practices of the postwar period are being reconfigured in a globalising twenty-first century hyper-commodified housing system. These changing practices include ideas such as "real estate citizenships" covering both the fading "Great Australian Dream" and a growing suite of foreign real estate investment visas (Dufty-Jones & Rogers, 2015; Rogers, 2017). The Great Australian Dream was initially built in a national political environment that saw the territorial borders of the nation state rigorously policed, particularly from the culturally Other. The rise of both Asia and new geopolitical environments is loosening up old territorial anxieties, and both domestic and foreign real estate investor relations and new local renter/global rentier relations are forming across reconceived geographical and legal borders (see, for example: the integration of RealTech, Proptech, and Fintech (Rogers, 2016, 2017); the new real estate, education, and migration brokerage assemblages (Robertson & Rogers, 2017); and the new subjects of financialization (Fields, 2017a; Gillon, 2017)).

The rise of China, and of Asia more generally, provides an important geopolitical context for understanding the changing political economy of local housing practices in Sydney (Dufty-Jones & Rogers, 2015) and other global cities (Koh *et al.*, 2016; Ley, 2011). This geopolitical context is framed by connections between, on one hand, changing macro-level global financial markets (Ley, 2015), education, and migration practices (Robertson & Rogers, 2017), and, on the other hand, local regulatory settings for managing foreign investment, migration, and education. And all of these have a role to play in enabling Asian class-based mobility (Robertson, 2013; Robertson & Ho, 2016). The number of people living in poverty in China, for example, is reported to have fallen 'from 250 million at the start of the reform process in 1978 to 80 million people by the end of 1993 and 29.27 million in 2001' (Jacques, 2012, p.162). Rogers and Koh (2017) refer to those who have recently moved out of poverty as the "new middle class," and, both within and beyond Asia, those people are increasingly mobile, along with their capital. The new middle class comprises an important group of global investors in the globalising hyper-commodified housing system. But it remains unclear how reconceptualising a range of spatio-legal and territorial demarcations that relate to domestic/foreign real estate investor relations will interact with the ways in which domestic/foreign real estate investors think about each other and real estate consumption more generally.

In this paper, we present empirical data that examine the relationship between views about foreign real estate investment/investors and our survey participants' own experiences in the Sydney real estate market. As will become clear in the sections that follow, these data raise the possibility that a shared acceptance of housing commodification might develop across the domestic/foreign real estate investor divide. As an initial entry point into considering that possibility, our emphasis here is on Sydneysiders' housing experiences as reported to us in relation to their views about foreign real estate investment, rather than what they think about the role that real estate, financial, or mortgage industries are playing in the financialization of housing.

The data were collected at the urban scale, and we locate them within the hyper-commodified housing system in Sydney in this analysis. They suggest that the social, financial, and legal changes occurring in one nation state can have far-reaching effects in other nation states (Liu & Gurran, 2017), and this observation is especially true for the global hyper-commodification of land and housing. As Madden and Marcuse (2016, p.18) note, while the 'commodity treatment of dwelling space is relatively new', it has always been a multi-scalar and global phenomenon. For example, the Enclosure Acts of the United Kingdom were initially geographically confined to the nation state and regulated by domestic laws, but the legal idea of enclosing the land laid the groundwork for the violent 'commodification of land on a planetary scale' through the colonial project (Madden & Marcuse, 2016, p.19). Today, the movement of foreign people and their capital through the real estate of hyper-commodified housing systems is occurring at the global scale, with studies emerging for London (Büdenbender & Golubchikov, 2016; Ho & Atkinson, 2017; Webber & Burrows, 2015), New York (Madden & Marcuse, 2016), Vancouver (Ley, 2011, 2015; Ley & Murphy, 2001), and Sydney (Liu & Gurran, 2017; Rogers & Dufty-Jones, 2015; Rogers *et al*., 2017; Wong, 2016), among others.

One possibility raised in this paper is the extent to which a degree of commonality is developing in relation to the commodification of housing in ways that cut across the suggested domestic/foreign real estate investor divide as old spatio-legal and territorial demarcations are reconfigured alongside the global commodification and financialization of housing. We use empirical data about Sydneysiders' reported levels of real estate market activity, housing stress, and views about foreign real estate investment to explore their views about the commodification of housing in Sydney. Positioned in this way, the data on public views about housing affordability and foreign investment in Sydney, and the languages that form around these debates, provide heuristic tools that can be put to work to expose some of the global politics surrounding hyper-commodified housing. We acknowledge that the use of survey data to understand a complex system such as a city can be constrained by a realist ontology and a "soft" form of statistical determinism. Our survey data are therefore viewed as 'a tool for making predictions' about the city (Dusek, 2006, p.89). As will become evident, the data we present here raise questions that could fruitfully be explored through in-depth qualitative research. We outline a set of such further empirical tasks throughout the analysis.

Given the context outlined above, the first section briefly outlines the study and the fieldwork done and data sources used or generated, and then discussion moves to data analysis. The second section on housing stress and views about foreign investment reports on the data on housing stress and Sydneysiders' views about foreign investment. The third section on status as actively looking to purchase a property and views about foreign investment explores the links between being active in the property market and views about foreign and Chinese investment in the housing market. The fourth section on investment properties and views about foreign investment outlines the relationship between ownership of an investment property and views about foreign investors buying property in Sydney. In the conclusion we reflect on what the housing status of Sydneysiders' means for the analysis of the political economy of foreign real estate investment and the multi-scalar politics of the globalising hyper-commodified housing system more broadly.

The study

The findings presented here are based on responses to an online survey conducted with 899 residents in the Greater Sydney Region in November 2015. The need for a survey on this topic became apparent after one of us was involved first in conducting qualitative interviews with foreign real estate investors and professionals, and then in analysing the related media coverage of foreign investment in Australia (Rogers *et al*., 2015). Participants aged over 18 were recruited by a commercial survey provider so that we could ask them about their beliefs about individual foreign and Chinese investment in residential real estate in Sydney. The survey was available in English only, and it had three parts. Part one garnered views about housing affordability in Sydney and the factors participants believed determine house prices. Participants were then presented with a series of statements, first about foreign investment in residential real estate in general, and then about Chinese investment in residential real estate in particular. Their agreement or disagreement was indicated on a 5-point Likert scale or they could respond "don't know." Part two of the survey gathered information about the socio-demographic and housing status of participants. For example, we asked participants about the proportion of their income spent on housing costs (that is, on mortgage or rental payments), about whether they were currently looking to purchase a property, and about whether they owned one or more investment properties. Part three elicited participants' views about cultural diversity in Sydney. It presented a series of statements that participants were asked to agree or disagree with, also using a Likert scale. This part of the survey instrument was developed with the Challenging Racism Project team and mirrored components of their national survey instrument; this allowed us to benchmark our findings against that project's national racism survey results (Blair *et al*., 2017).

As noted above, our focus in this article is on the relationship between participants' housing status, property ownership, and house hunting in relation to their views about foreign and Chinese investment. Hence, this analysis looks at parts one and two of the survey in detail (for an analysis of part one of the survey, see Rogers *et al*., 2017). Our sample was broadly representative of Sydneysiders in general, but did include some notable exceptions. For example, those in our sample were slightly more educated and had higher incomes than those in the general population and were less culturally and linguistically diverse that that larger population. Our sample included a higher proportion of renters and those living in a home "rent-free"[2] when compared with the general population of Greater Sydney (Liu & Easthope, 2017). Participants were also registered members of an online panel, so it follows that only Sydneysiders with Internet access were included in the survey frame. The survey company used an online panel methodology into which participants self-select and register, which allows the company to make inferences about populations, and therefore there are recruitment and sampling limitations relating to the use of online methods (The Social Research Centre, 2016).

Before moving to the broader findings, it is worth pointing out that, as we might expect, there were links between housing status, property ownership, housing-hunting, and demographic features of the sample, including age and income. More specifically, when analysing beliefs about foreign investment and investors by age, we found that younger survey participants aged 18 to 34 years were relatively less concerned about foreign investment than were participants aged 35 and over. Not surprisingly, participants aged 18 to 34 years were more likely to be living rent-free in a home (for example, with family) or renting, and less likely to be living in a home they owned with a mortgage. Eighteen to 34-year olds were more likely than older respondents to be actively looking to purchase properties. Eighteen to 24-year olds were the least likely to own an investment property, with those aged 25 to 34, 35 to 44, and 45 to 54-years the most likely. More than one in five participants in these three age groups indicated that they owned an investment property. Taken together, there were intersections between age and housing status along predictable lines. As we might expect, similar intersections between income and housing status were present in our survey responses. Those with household incomes of over AU$150K per annum were more likely to be actively looking to purchase property (38 per cent compared to 20 per cent of those with household incomes under $100K). This group, not surprisingly, was also more likely to own an investment property (38 per cent compared to 14 per cent of those with household incomes under $100K per annum). There were no differences by income in terms of the proportion of those spending more than 30 per cent of their weekly income on mortgage/rental payments (38 per cent of those in households earning $150K and over and 36 per cent of those in households earning under $100K). However, it is important to note that the wording of the question related to housing stress was could have been ambiguous. It is possible that participants reported on mortgage payments that included payments for both their own home and, where applicable, their investment properties.

Bearing in mind these links between demographic features of our survey respondents, in order to explore our interest in the commodification of housing, the housing status and experiences of our survey participants provide the most appropriate entry point. That is our focus here, rather than on demographic features of the sample, such as age or income. Hence, we report on the relationships between housing status and views about foreign investment/investors, while noting the strong links among age, income, and housing status.

Housing stress and views about foreign investment

An important context for understanding both the survey results and individual foreign investment in residential real estate in Sydney more generally is the housing affordability landscape in the city. House prices in Greater Sydney have been increasing steadily over the last decade. Between 2012 and 2015, a period during which Asian and Chinese foreign real estate investment increased, house prices increased on average by over 45 per cent (CoreLogic, 2015). Sydney's median dwelling price increased from under AU$500K in 2009 to well over AU$900K in 2016 (ABS, 2016). In terms of rents, in 2011 the median weekly rent in Sydney was AU$465. By 2015, median weekly rents had grown to almost AU$600 (ABS, 2011; CoreLogic, 2015). Housing debt was growing too, with the ratio of household debt to household income at 114 per cent in 2005 compared with 142 per cent in 2015 (ABS, 2016). Sydneysiders were highly "leveraged"—a term used to describe the financial practice of buying more of an asset with borrowed funds—and being "highly leveraged" has resulted in longer mortgage repayment timelines and more financial stress in households. These pressures can be compounded by interest rate increases, economic recessions, and other economic downturns and interventions; the simple "idea" of which can add additional emotional stress to households. Younger Australians are finding it harder to secure suitable housing in the city (Colic-Peisker & Johnson, 2012), and this housing pressure is compounded by a lack of affordable social and private rental stock.

While explanations for housing affordability problems in Sydney are disputed, housing analysts regularly attribute "the problem" to a combination of factors, including the commodification and financialization of housing; low mortgage rates; less restrictive home loan rules; domestic and international in-migration into cities that increases the demand for housing from local and foreign buyers; temporary urban migration associated with the internationalisation of higher education; demand-side taxation incentives for investors; and the supply of land, or lack thereof, for new dwelling construction (Gurran & Whitehead, 2011; Madden & Marcuse, 2016; Ruming *et al*, 2011; Yates & Milligan, 2007). It is likely that foreign real estate investment is having an effect on housing prices in Sydney, but there is little data that sets out what this impact is (see Gurran & Bramley, 2017, pp.259–92 for a more detailed discussion about Australian housing policy). The available data suggest that foreign investment is not a major contributor to increasing housing prices in Sydney in general (HRSCE, 2014; Wokker & Swieringa, 2016), but more locationally specific data are needed because the impact of foreign investment is likely to be more significant at the level of individual neighbourhoods or large strata buildings. Therefore, more fine-grained analysis of the inflationary impact of foreign investment is needed at neighbourhood and/or building scales. In any case, there is an assumption in some media coverage that foreign real estate investment is a major contributor to increasing housing prices in Australia (Rogers *et al*., 2015, 2017; Wong, 2016).

The widespread reporting of increasing house prices and Sydneysiders' negative housing experiences has been a source of discontent among members of the city's population. Sydney's housing affordability problem and housing statistics are well reported by a thriving local and international property media (Rogers, 2017). In April 2017, for example, local property media were reporting that 'Property prices have increased yet again in Sydney, to a record $1,151,565 median house price over the March quarter' (Duke, 2017, n.p.). In terms of the international discourses about Sydney's property market, international real estate industry sources such as US-based think tank Demographia (2016) repeatedly name Sydney as one of the world's least affordable real estate markets. In this context, we explored the links between housing stress, the competition for a limited supply of housing, anxieties about housing affordability more generally, and concern about foreign and Chinese investment in particular.

There are many ways to define housing stress. But, in short, measurements of housing stress are used to give a comparative value to 'how hard it is for a household to meet their housing costs' and a 'typical ratio measure is based on the ratio of housing costs to income, with the 30 per cent level being a benchmark' (Nepal *et al*, 2010, p.213). While many financial institutions in Australia have used the 30 per cent housing stress rule to determine how much a household can borrow, and real estate rental managers have used the rule to assess rental applications, the 30 per cent measure is losing its relevance in Sydney's hyper-commodified housing market with over-leveraged mortgage holder households. Using this measure, we found that more than half (52%) of our survey participants were experiencing housing stress (with 33 per cent spending less than 30 per cent of their income on their housing and 15 per cent indicating they did not know). We expected to find that those in housing stress would be more concerned about foreign and Chinese real estate investment than other groups: this is not what we found. When comparing those who spend more than 30 per cent of their income on housing costs with those who spend less, there were no significant differences in beliefs about foreign and Chinese real estate investment based on housing stress: this was the case for the full suite of statements participants were presented with.

Given that more than half of our survey participants reported being in housing stress, it may be that housing stress is now so widespread in Sydney's hyper-commodified housing market that it is not a good discriminator of attitudinal and demographic responses. As raised earlier, it is also possible that some participants interpreted this question in such a way that they reported on mortgage payments for both their own homes and investment properties. Nonetheless, the finding that the level of housing stress did not differentiate attitudes to foreign investment is surprising and valuable because it indicates that factors other than housing status may be informing participants views.

Status as actively looking to purchase a property and views about foreign investment

One of the possible explanations for opposition to foreign and Chinese real estate investment is that

Sydneysiders are concerned about housing affordability in Sydney. We might expect those who are actively looking to purchase a property would be particularly concerned, on the grounds that they may feel they are directly competing against and being priced out of the market by foreign and Chinese buyers in the globalising hyper-commodified housing system. Certainly, there has been a media narrative to that effect in Australia (Rogers *et al*., 2015, 2017; Wong, 2016). For this reason, we asked participants whether they were actively looking for a property to purchase at the time of the survey; just under a quarter (23%) of survey participants were.

Contrary to our expectations, we found that they were also positive and supportive of foreign and Chinese investment in the housing market (Table 1). Just under one in three agreed that foreign investors should be able to buy properties in Sydney, compared with 15 per cent of those not actively looking to purchase a property. Those who were *not* active overwhelmingly disagreed

Table 1 Beliefs about foreign and Chinese investment by active/non-active on the Sydney property market

	Disagree/strongly disagree (%)	Neither agree nor disagree (%)	Agree/strongly agree (%)
Foreign investors should be able to buy properties in greater Sydney*			
Actively looking to buy property (*n* = 203)	43	26	31
Not active (*n* = 696)	63	22	15
Foreign investment is driving up property prices in greater Sydney			
Actively looking to buy property	9	13	79
Not active	6	11	83
Foreign investment has no impact or very small impact on greater Sydney's housing market*			
Actively looking to buy property	57	18	24
Not active	76	16	8
Foreign investment can help increase housing supply in greater Sydney*			
Actively looking to buy property	37	30	34
Not active	56	26	18
Government should encourage more foreign investment in greater Sydney's housing market*			
Actively looking to buy property	52	21	27
Not active	71	20	9
Government has effectively regulated foreign investment in greater Sydney's housing market*			
Actively looking to buy property	46	20	35
Not active	60	27	13
Foreign students should be able to buy properties while they are studying here*			
Actively looking to buy property	43	22	36
Not active	58	25	17
Chinese foreign investment accounts for a very small percentage of the total residential property purchased in greater Sydney*			
Actively looking to buy property	37	25	38
Not active	41	36	23
Chinese investment in greater Sydney's housing market are by and large conducted legally within the foreign investment rules*			
Actively looking to buy property	24	32	44
Not active	31	37	32
I welcome Chinese foreign investors buying properties in my suburb*			
Actively looking to buy property	40	32	29
Not active	54	32	13
I am concerned about growing Chinese investment in Australia in areas other than housing			
Actively looking to buy property	11	20	68
Not active	9	20	72

* Statistically significant differences (at P = 0.05) using chi-square test.

(76%) with the statement that 'Foreign investment is having no impact or a very small impact on greater Sydney's housing market'. This finding compares with the 57 per cent of those who were actively looking to purchase property.

The Australian government's justification for a regulatory framework that is largely supportive of individual foreign investment in residential real estate is underwritten by its claim that foreign investment increases the supply of new housing. This investment helps, the government argues, to address the housing affordability problem, while simultaneously bringing benefits to local building construction industries and their suppliers (HRSCE, 2014; Rogers & Dufty-Jones, 2015). While this *housing supply* and *economic stimulus* justification is popular internationally, the policy frameworks that underwrite it further commodify housing systems (Rogers & Koh, 2017). Therefore, we asked survey participants if they thought foreign investment helped to increase housing supply. Those who were actively looking to purchase a property were more positive about foreign investment aiding housing supply (34 per cent compared to 18 per cent); were more supportive of the government encouraging foreign investment (27 per cent compared to nine per cent), and were more positive about the effectiveness of government regulation of foreign investment (35 per cent compared to 13 per cent). Just under one third (29 per cent) of those who were actively looking to purchase a property stated that they would welcome Chinese investors buying properties in their suburb, compared to just 13 per cent of those who were not actively looking.

While no causal links can be drawn from these data, one line of inquiry that is worth pursuing with Sydneysiders in further interviews relates to how *being an active house hunter* may be informing their views about foreign and Chinese investors. It might be the case that attending housing inspections and auctions in Sydney has revealed to those participants the strong local real estate purchasing power of domestic purchasers and investors. They might have observed that foreign and Chinese investors are relatively small players in the Sydney housing market as a total proportion of all (domestic and foreign) purchasers. Equally, it might be the case that those who are actively looking to purchase a property have a sound understanding of the rules, politics, and practices associated with real estate consumption in hyper-commodified housing markets. This knowledge about the real estate market might be informing their views about foreign and Chinese investors. It could also be the case that this group contains a higher number of "real estate capitalists" who hold strong ideological views about the right to acquire property and to use real estate as an asset class within which to park and grow capital (Gillon, 2017; Ronald, 2008).

Furthermore, the differences we did find between those who were actively looking to purchase a property and those who were not did not extend to foreign investment in areas other than residential housing. That is, there were similarly high concerns among these two groups about growing Chinese investment in Australia in areas other than housing, with about 70 per cent of both groups agreeing or strongly agreeing that they were concerned about foreign investment in other asset and infrastructure classes. This finding suggests that there might be something unique about the ways in which individual foreign investment in residential real estate informed our participants' views, and this impact on real estate subjectivities would make individual residential real estate investment different from foreign institutional investment in other asset classes, such as agriculture. Therefore, more detailed empirical attention is needed in relation to questions about property market activity in the hyper-commodified housing system, the ideological positions of participants with regard to real estate investment and wealth creation, and views about foreign investment across the different asset classes.

Investment properties and views about foreign investment

Another group with a strong interest in the real estate market in Sydney are domestic real estate investors. We were interested in whether there were any differences between those with investment properties and those without, in terms of their views about foreign and Chinese investment. We found that in response to many of the statements participants were presented with, those with investment properties were more positive about both foreign and Chinese investment in the Sydney housing market.

Those who owned an investment property were more likely to agree that 'Foreign investors should be able to buy properties in Sydney' (29 per cent compared to 17 per cent). They were similarly supportive of foreign students being allowed to buy properties while they are studying in Australia, with 32 per cent agreeing with this statement compared with 19 per cent agreement among those without investment properties. Twice as many domestic real estate investors (28%) welcomed Chinese foreign investors buying properties in their suburbs as compared with those without investment properties (14%). One in five domestic investors agreed that 'Foreign investment has no impact or very small impact on greater Sydney's housing market' compared with one in ten of those who did not own investment properties. Table 2 indicates that those with investment properties were more positive about the government's regulation of foreign investment as well, with 28 per cent agreeing that foreign investment has been effectively regulated, compared with 16 per cent of those without investment properties.

Again, while no causal links can be drawn from these data, another line of inquiry worth

Table 2 Beliefs about foreign and Chinese investment by ownership of investment properties

	Disagree/strongly disagree (%)	Neither agree nor disagree (%)	Agree/strongly agree (%)
Foreign investors should be able to buy properties in greater Sydney*			
Own an investment property (n = 168)	49	22	29
Do not own an investment property (n = 731)	61	23	17
Foreign investment is driving up property prices in greater Sydney*			
Own an investment property	11	14	76
Do not own an investment property	6	11	83
Foreign investment has no impact or very small impact on greater Sydney's housing market*			
Own an investment property	64	16	21
Do not own an investment property	73	17	10
Foreign investment can help increase housing supply in greater Sydney			
Own an investment property	45	28	27
Do not own an investment property	53	27	21
Government should encourage more foreign investment in greater Sydney's housing market*			
Own an investment property	59	23	19
Do not own an investment property	68	20	12
Government has effectively regulated foreign investment in greater Sydney's housing market*			
Own an investment property	53	19	28
Do not own an investment property	58	27	16
Foreign students should be able to buy properties while they are studying here*			
Own an investment property	51	17	32
Do not own an investment property	55	26	19
Chinese foreign investment accounts for a very small percentage of the total residential property purchased in greater Sydney			
Own an investment property	38	28	34
Do not own an investment property	41	34	25
Chinese investment in greater Sydney's housing market are by and large conducted legally within the foreign investment rules*			
Own an investment property	24	30	47
Do not own an investment property	31	37	32
I welcome Chinese foreign investors buying properties in my suburb*			
Own an investment property	44	28	28
Do not own an investment property	52	33	14
I am concerned about growing Chinese investment in Australia in areas other than housing			
Own an investment property	10	17	73
Do not own an investment property	9	21	71

* Statistically significant differences (at P = 0.05) using chi-square test.

considering at interview is how *being a local real estate investor* might inform views about foreign and Chinese investors. An important part of that inquiry would be exploring the possibility that a degree of commonality might be developing around housing commodification that spans the domestic/foreign real estate investor divide. If this were the case, then it would be key to ask what is underwriting this commonality in terms of ideas and ideologies (for example, private property, individualism, real estate wealth, home ownership, renter/reinter relations, and intergenerational security). It is unlikely that any commonality that does exist would extend beyond a shared ideological interest and/or set of social experiences (that is, about real estate investment) to include a coherent and mutually supportive identifiable group (that is, domestic/foreign real estate investors as a coherent political group with shared interests). We are suggesting that domestic and foreign investors might have shared ideological commitments to real estate investment. While tension remains between the two groups, these shared ideological commitments will nevertheless serve to bolster the globalising hyper-commodification of housing. Our data on reports of Chinese real estate investment corruption in Australia provide justification for an additional line of inquiry to investigate the way the politics of these shared ideological interests might play out empirically.

There have been periodic narratives in the Australian media about corrupt and rule breaking Chinese real estate investors (Besser & Hichens, 2015), and in media and policy discussions about rule breaking foreign investors from Asia (Robertson & Rogers, 2017; Rogers *et al*., 2017). Therefore, we were interested in Sydneysiders' views about whether they thought that Chinese real estate investment was being conducted legally in Australia. About half of those with investment properties (47%) agreed that Chinese investment is largely being conducted legally, compared with just under one third (32%) of those without investment properties. We know from the data that domestic investors are less accepting of media narratives about corrupt foreign real estate investors, but we do not know why. We speculate that it might be because participants who agreed that Chinese investment is largely conducted legally could have a sound working knowledge about how real estate markets are regulated, and this knowledge might be informing their views about the practices of Chinese real estate investors, even if they do not necessarily support foreign investment. Certainly, the Australian government's regulatory frameworks pertaining to real estate are regularly reported as among the reasons why Asian and Chinese investors choose Australian real estate markets, alongside those related to strong private property laws, the land title systems, and strong banking sector regulation (Daly, 1982; Liu & Gurran, 2017). It is also plausible, therefore, that domestic investors have a good working knowledge about how foreign real estate markets are regulated. Similarly, the ideological views of domestic investors mentioned above—about the right to acquire property and to use real estate as an asset class within which to park and grow capital—could be important for understanding these findings. Therefore, the intersection of these types of ideological reference points warrants more detailed qualitative investigation.

Finally, there were two important areas where there were no significant differences between those with investment properties and those without. First, there were no significant differences in how investors and those without investment properties viewed the potential of foreign investment to increase housing supply. Only between one in four (27%) and one in five (21%) survey participants agreed that foreign investment increases housing supply in Sydney. This lack of conviction about whether foreign investment increases housing supply is important, first, because there is a strong argument in government and the private sector that foreign investment increases housing supply and that this trend, in turn, puts downward pressure on house prices. Second, those with investment properties and those without were similarly concerned about growing Chinese investment in Australia in areas other than housing (over 70 per cent of both groups), which suggests that there is something unique to the hyper-commodified residential real estate system in Sydney that needs further investigation.

Taken together, these data on housing status show that engagement with the residential real estate market as house hunter, owner, or investor appears to meditate Sydneysiders' views about foreign investment in important ways. It is worth noting, however, that while we saw a dynamism in how Sydneysiders engaged with the real estate market and expressed their views about foreign investors and Chinese investment, they were just that—different degrees of expression. The findings from other studies suggest that those who are actively looking to purchase property still generally hold concerns about foreign and Chinese investment. Therefore, while some commonality might be developing across the domestic/foreign real estate investor divide as it relates to housing commodification, it is developing slowly; is likely to be tightly located at specific ideological reference points, such as the shared ideals around the laws and policies governing private property and real estate investment; and is likely to continue to be typified by tensions between these two groups in relation to ideas about real estate citizenships, cultural differences, and migration.

Conclusion

The latest manifestation of Asian-led foreign real estate investment in some global cities is said to have contributed to housing becoming a liquid, global asset. The rise of China, and of Asia more generally, is among the key geopolitical frames by which to understand the globalising hyper-commodified housing system. As a part of our wider global real estate scholarship, we are analysing the ways in which existing or perceived class-based housing status, practices, and inequalities might be informing Sydneysiders' views about foreign investment and investors. We have established that, in general terms, Sydneysiders are generally against foreign and Chinese investment, and we have shown how housing stress, house-hunting, and property market activity interact with Sydneysiders' views about foreign investment. The findings present a far more complex picture of the domestic/foreign housing politics surrounding foreign real estate investment than we expected. We will briefly summarise those findings before returning to comment on the broader globalising hyper-commodified housing system in order to reflect on new lines of inquiry these data open up.

The first task was to examine the relationship between housing stress and Sydneysiders' views about foreign investment. Surprisingly, a key finding was that there were no significant differences in beliefs about foreign and Chinese real estate investment when comparing those who spend more than 30 per cent of their income on housing costs with those who spend less. The second task was to explore the links between those Sydneysiders' who were actively looking to purchase property and concern about foreign and Chinese investment in the housing market. Again, contrary to our expectations, a key finding was that those who were actively looking to purchase a property were more positive and supportive of foreign and Chinese investment in the housing market than those who were not looking. The third task was to investigate how the ownership of an investment property related to support for foreign investors buying properties in Sydney. A key finding here was that those who own an investment property were more likely to be supportive of foreign investors buying properties in Sydney. Property owners were also more supportive of government rules about the regulation of foreign investment than were those who did not own an investment property. However, there were no significant differences in how investors and those without investment properties viewed the potential of foreign investment to increase housing supply. In short, those already financially invested in the local real estate market were generally more supportive of foreign investors and foreign investment in real estate than those who were not invested in commodified real estate.

In response to these findings, we outlined a set of more detailed qualitative research tasks that would add greater depth to the data presented here. These additional tasks include exploring how buying and selling real estate as a local real estate investor or home owner might inform people's views about foreign investment and investors. We wondered both if those who were actively looking to purchase or who own a property might have a good working knowledge of the rules, politics, and practices associated with real estate markets, and if this *local* working knowledge about real estate markets was informing their views about *foreign* real estate investors, markets, and regulation. Being active in the real estate market could be creating strong ideological views about the right to acquire property and to use real estate as an asset class within which to park and grow capital as well, and this is a subject for more theoretically informed empirical work.

We are not suggesting that having a shared ideological framework for thinking about real estate will necessarily lead to acceptance across the domestic/foreign divide (for example, cultural acceptance). Rather, a shared ideological framework might lubricate the global hyper-commodified housing system even if tensions between domestic and foreign real estate investment remain. This possible *property investment symmetry* and *cultural asymmetry* is important, because media and public discussions in Sydney, as in other global cities, suggest that there are strong divisions between domestic and foreign real estate investors that are mediated by nation state socio-legal and territorial constructs such as citizenship and national territory. For the most part, public policy continues to be guided by these constructs, despite those in the global hyper-commodified housing system often working around or over the top of national policy frameworks. While we found that players active in the local real estate market remained concerned about foreign investment in general, more research is needed to consider both the commonality that might be developing between domestic and foreign real estate investors in the globalising hyper-commodified housing system at different ideological reference points, and the ways in which this might reinforce the commodification of real estate at larger scales.

Acknowledgements

We would like to thank Professor Kevin Dunn and the Challenging Racism Team for providing feedback on our survey instrument and the survey more broadly. We would also like to thank the two peer reviewers who helped us to clarify a number of important analytical points. We would also like to acknowledge and thank Western Sydney University and the University of Technology Sydney for funding this study.

Notes

1. These technologies are known in the real estate and tech industries as RealTech (UK) or Proptech (US) and Fintech (UK and US).
2. Rent-free typically means living within a multigenerational home with a family member (see Liu & Easthope, 2017).

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