The Production of Urban Spaces in Phnom Penh
Toward a Social Geography of Real Estate

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The context: A city and an urban society in transition

An estimation of the value of world real estate

- **Global value of real estate**
- **Global financial investments**
- **Global GDP**

Value (1000 billions)

- Agricultural
- Commercial
- Residential

Source: Savallis, 2016
The context: A city and an urban society in transition

Phnom Penh then...

... and now

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The context: land and real estate as key economic sectors of the Cambodian capitalism
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The context: the “real estate turn” in Southeast Asia

Neoliberalization → Privatization
Decentralization → Decentralization
Financiarization → Real estate turn

1980s
Cities in the Global South: engine of growth

1990s
Economic transitions (notably socialist countries)

2000s
Unlocking of land and real estate markets

2010s
Diversification of real estate practices

Fast transformations of “secondary metropolises”

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**Approach**: bringing down politico-economic analysis

Real estate and metropolization
- Urban economics (Halbert *et al.*, 2014 ; Lin, 2014)
- Urban politics and planning (Goldman, 2011)
- Finance (Aveline-Dubach, 2008 ; 2013)

Real estate and the urbanization of capital
- Land studies (Haila, 2015)
- Speculation, accumulation by dispossession (Shatkin, 2017)

Real estate and urban forms/urbanity
- Urban development (Goldblum, 2014 ; Labbé, 2014)
- Urban life (Harms, 2015)

**Limits**:
- Researches tend to focus on larger metropolis, and on « emerging countries »
- Literature pays attention to the spectacular urban projects (e.g. new cities)
- Real estate mainly consider as an economic process, or the consequence of official policies

→ Considering, at all scales, the interrelation between land and real estate practices, the production of residential spaces, urban polities and politics, and the power/exclusion processes related to them
The borey as a new “residential reference”
The borey: drafts of a becoming city

« Wild postings » along roads

Basic land use plans

Improvised sales offices
The borey: drafts of a becoming city
The professionalization of local real estate actors

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Innovation, mixing and synthesis
The role of *borey* in a neopatrimonial and clannish State

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The role of *borey* in a neopatrimonial and clannish State

“When we first visited that estate, we saw the big building in front of the borey, with the developer’s initials on it, and we were impressed. We were hesitating between different estates, but we chose this one because the developer is well known. You have to understand that if an owner is well known, it is because his business is good. […] For us, it meant security for our investment.”

Interview with a *borey* resident, 27 May 2012.

“The fact that this developer is well known is important for us. Sometimes, we see him in the borey, and I even personally talked to him once. […] Yes, if I have a problem, I could talk to him. He could attest that we are good people, and reliable. […] The fact that I live close to his home and that I know him personally is a good thing.”

Interview with a *borey* resident, 24 May 2012.
The big push

@ G. Fauveaud, 2009

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The big push

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The big push

Proportion of poor settlements in inner and Outer Khans 1997-2017

Legend

The city between prestige and marginality
- The city center: the “show-off city”
- Worker area
- “Poor community”
- Relocation site
  1. Dey Kroam
  2. Borey Keila
  3. Boeung Kak

Structure urbaine
- Urban continuum in 2014
- Main roads network
- Aquatic spaces
- Administrative limits

Source: Sahmakum Teang Tnaut, 2017

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The spatial redeployment of the centrality

Legend

Dynamics of the urban development
- Large scale projects under construction
- Scheduled large scale projects
- The double economic centrality
- Emergence of secondary centralities
- Beyond the river frontier
- The colonisation of peripheral laces

Evolution of the infrastructures
- New toll road
- New river road bridge
- New aerial flybridge
- The Sokha Hotel project
- New important commercial center

The urban structure
- Urban continuum in 2014
- Main road network
- Secondary road network
- Aquatic spaces

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The spatial redeployment of the centrality
"Land Bank Owner” unlocking a large-scale land market

- Creating a “safe space” to attract international capital
- Creating infrastructures that protect the investment
- Proposing “investment and management package”
The foreignization of the housing market

- 2010 – 2017: at least 53% of all building permits request to the Municipality concern condo projects
- Chamkarmon concentrates almost 59% of condos projects
- FDI multiplied by 12 since 1998
- In 2014, construction and real estate represents more than a third of the FDIs
- Since 2010, China became the first FDI providers in the construction and real estate sector in Cambodia
- More than a third of foreigners who entered in Cambodia in 2018 are Chinese
The foreignization of the housing market

- NBC estimates that at least 65% of condo units are purchased by foreigners.

- In certain projects, this number rises to 90% despite the existing regulation:
  - Long term lease to foreign investors
  - Land holding companies
  - ....

- Regional networks of developers, investments companies, brokers, banks and online real estate platforms are spreading.
The virtualization of the housing market

Clic-to-buy strategy

Millennial investors

Flippers

One-click buyers

Join us and you will obtain

- Dynamic exchange rate
- Online order and deposit management
- Online payment
- Online listing and exhibition
- Project listing for free
- Customized project planning and marketing
- Online marketing and sales
- Creative planning
- Platform promotion and user interaction
- Client management
- Multi-platform synchronization and CRM
- Real-time follow-up and recording
- Sales Service
- 1st VIP transaction service for free
- Conclusion of Transaction and Commission settlement

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Conclusions

• In three decades, the land and real estate markets have evolved from the experimental and incremental stage, to the foreignization and financialization of housing markets.

• Among the way, without any strong pro-poor housing policy, and strong control of land speculation mechanisms, the poorest part of the population has been pushed away, or kept in a precarious position waiting for their possible eviction, whether by force, or by the market.

• This shows us the limits to unbridled liberalism, and the key role of real estate in it, whether in Phnom Penh, or in the rest of the urban world.
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