

## REAL ESTATE MARKETS: UNIVERSALITIES, PARTICULARITIES AND SINGULARITIES

*Norma Lacerda\**

*Helena Lúcia Zagury Tourinho\*\**

\*Universidade Federal de Pernambuco, Departamento de Arquitetura e Urbanismo, Programa de Pós-graduação em Desenvolvimento Urbano, Recife, PE, Brazil

\*\*Universidade da Amazônia, Curso de Arquitetura e Urbanismo, Programa de Pós-graduação em Desenvolvimento e Meio Ambiente Urbano, Belém, PA, Brazil

### Abstract

*Based on the idea that the real estate market is an abstraction, since it refers to a wide spectrum of market modalities, the question posed in this paper is: Which determinations are common to all real estate markets? Which are similar and defining for each group or market type and which are specific to each locally-, historically- and spatially-determined market? In view of these questions, this essay, based on the dialectical method, explores and applies the concepts of singularity, particularity and universality in the analyses of real estate markets, thereby explaining correlations and interdependencies between these dimensions. In addition, it also applies the singular-particular-universal triad to an analysis of the real estate market in the central area of Recife.*

### Keywords

*Real Estate Market; Dialectical Method; Universality; Particularity. Singularity.*

## MERCADOS IMOBILIÁRIOS: UNIVERSALIDADES, PARTICULARIDADES E SINGULARIDADES

*Norma Lacerda\**

*Helena Lúcia Zagury Tourinho\*\**

\*Universidade Federal de Pernambuco, Departamento de Arquitetura e Urbanismo, Programa de Pós-graduação em Desenvolvimento Urbano, Recife, PE, Brasil

\*\*Universidade da Amazônia, Curso de Arquitetura e Urbanismo, Programa de Pós-graduação em Desenvolvimento e Meio Ambiente Urbano, Belém, PA, Brasil

### Resumo

*Partindo da ideia de que mercado imobiliário é uma abstração, posto que se refere a um largo espectro de modalidades de mercados, pergunta-se: quais as determinações comuns a todos os mercados imobiliários? Quais são semelhantes e definidoras de cada grupo ou tipo de mercado e quais são específicas de cada mercado local, histórica e espacialmente determinado? Diante dessas indagações, o presente ensaio, com base no método dialético, explora e aplica os conceitos de singular, particular e universal em análises de mercados imobiliários, explicitando correlações e interdependências entre essas dimensões. Além disso, aplica a tríade singular-particular-universal para a análise do mercado imobiliário da área central do Recife.*

### Palavras-chave

*Mercado Imobiliário; Método Dialético; Universalidade; Particularidade; Singularidade.*

# REAL ESTATE MARKETS: UNIVERSALITIES, PARTICULARITIES AND SINGULARITIES<sup>1</sup>

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## Introduction<sup>2</sup>

The spatial dynamics of Brazilian cities are largely governed by real estate markets and have been analyzed and classified by several authors. Lacerda and Bernardino (2020, p. 916), for example, have typified them based on: the productivity cycles of origin (new or secondary properties); functionalities, such as types of land use (industrial, residential, commercial and services); the attributions in the economic and social division of space (historic centers, poor areas, etc.); and the modalities of transactions (lease, purchase-sale, etc.). Furthermore, classification is also customary according to spatial scales (planetary, national, metropolitan, urban, neighborhoods or other territorial portions) or according to multi- or trans-scalar temporal approaches.

In concrete reality, each real estate market is unique and irreproducible and works at a certain moment in time, in a given socioeconomic and spatial context, transacting differentiated products, through different mechanisms, resulting from the action of specific agents. In other words, as the result of a historically and spatially determined socioeconomic formation, each market segment is unique in its singularities and each city exhibits a wide spectrum of specific real estate submarkets. Thus, the category of real estate market results from an abstraction<sup>3</sup> and refers to a diversity of phenomena.

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1. This essay results from a process of reflective thinking within the scope of research supported by the National Council for Scientific and Technological Development (CNPq) and by the Foundation for Science and Technology in the State of Pernambuco (FACEPE).

2. All non-English citations used throughout this article have been translated by the authors.

3. Abstraction is understood here as the procedure that extracts an object from its context (from the totality into which it is inserted), isolates it to examine it and then returns it to the whole, integrating it into the multiple determinations of this whole.

From this perspective, a given real estate market is converted into a totality which is subject to multiple determinations,<sup>4</sup> from the very broadest, arising from the capitalist real estate market in general, to those that distinguish it from other real estate markets, and are manifested through the singularities of the submarkets of each place.

Before specifying the understanding adopted here on the real estate market, it is necessary to clarify certain aspects.

One recurring mistake has been to reduce real estate market analysis to a discussion on land rent. Although land is still a *sine qua non* condition for the existence of the real estate product, it is not limited to it since it often also involves the built object.

Another lapse concerns the association of this market with the idea of producing and selling new real estate units, especially housing units. As a result, the concepts of the real estate market, linked to the sphere of circulation (distribution and exchange), and the real estate circuit, which involves the spheres of production and circulation, become confused. Although it is considered that, in general, commodity circulation consists of an instance of mediation between the production and consumption of any commodity (MARX, 2011), the circulation of real estate merchandise has peculiar characteristics arising from the very nature of this product, as will be discussed further on.

Accordingly, the real estate market is understood as a geographic space and/or relationship in which negotiations related to land and/or buildings, both new and used, take place. Furthermore, the concept comprises an ensemble of various agents (individuals, companies, governments, institutions), logics, principles and norms that regulate the performance, behaviors and relationships between agents. Thus, it constitutes a complex totality, composed of multiple determinations of an economic, social nature, etc.

From a theoretical and methodological viewpoint, this perspective raises a number of questions, namely: Within the scope of dialectics, how is it possible to operationalize studies on the real estate market, which capture this complex totality? How may the characteristics of the real estate market be identified, classified and stated? Which rules/characteristics/determinations are common to all real estate markets? Which of these are similar and defining for each group or market type? Which of them are specific to locally, historically and spatially established markets?

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4. Determinations “are traits pertinent to the constitutive elements of reality; in the words of an analyst, for Marx, determination is an ‘essential constitutive moment of the object’” (DUSSEL, 1985, p. 32 apud NETTO, 2011, p. 45).

In order to answer these questions, based on the dialectical method, this essay explores the application of the concepts of singularity, particularity and universality, explaining the correlations and interdependencies between real estate markets and submarkets within these dimensions. In addition, it also applies this triad to an analysis of the real estate market in the central area of the city of Recife (Northeast Brazil). Thus, it seeks to assist in overcoming approaches and methodologies that focus, either in an isolated or disjointed manner, sometimes on the singularities, sometimes on the particularities and/or universalities of this market.

The argument has been condensed into two major sections. The first theoretically examines the concept of totality and discusses the triad of the analyzed categories, demonstrating the relationship between the singular, the particular and the universal from an epistemological viewpoint and the ways in which it may be used, methodologically, in analyzing the real estate market of a given totality. In the second, we work on the operationalization of these analytical categories so as to reveal the case of the real estate market in the central area of Recife, here considered a reference totality.

1. The categories of totality, universality, particularity and singularity and the real estate market

1.1 Totality as the structured and hierarchical whole

According to Lukács (1967, p. 240), to conceive something as a totality it is necessary to admit, on the one hand, that:

[...] objective reality is a coherent whole in which each element, in one way or another, is in relation to each element and, on the other hand, that these relations form, in objective reality itself, concrete correlations, sets, units, linked with one another in completely different, but always determined, manners.

As the whole is composed of parts, laws and relationships connected to one another and in motion, its fragmentation and/or disarticulation eliminate the possibility of knowing it. Thus, Carvalho (2007) issues a warning about the risk of a search for the “whole” becoming an insurmountable obstacle for attaining knowledge. How, then, is it possible to apprehend the connective transversality of a whole integrated by an immeasurable amount of changing parts and relationships, as is the case of the real estate market? Would this operation be possible?

To answer this question it is essential to resume the analysis of the category of totality. According to Carvalho (2007), in the dialectical method, totality may only be understood, constructed and used if certain philosophical procedures

are adopted. Among them, the “whole” is included and considered as something structured and hierarchical.

This implies admitting that the totality is formed by a series of categories and organized relationships, and, moreover, that some of them are structural for the constitution of the whole, which is why they need, as a priority, to be unveiled in the abstract reconstitution process of the whole. For Carvalho (2007), it is by going through the structure and hierarchy of the whole in the act of its constitution, based on what is essential, that the category of totality is determined and defined. Thus, it is understood that knowing the connective transversality of the whole does not presuppose mastering all of its parts and relationships, but rather apprehending the logic that governs its connections, contradictions and antagonisms fundamental to understanding the emergence of moments of unity and to the rupture of social totalities (CARVALHO, 2007).

It should be noted that taking such a stance does not signify denying that empirical reality may be situated in a historical context (for example, capitalist) whose surroundings (for example, the non-capitalist) may contain parts, actors, or relationships that are distinct from those general abstractions (in the example of the capitalist mode of production). Indeed, according to Lukács (2009, p. 59), each totality “is relative and changeable, even historically: it may be exhausted and destroyed – its character of totality only subsists within the framework of determined and concrete historical circumstances” (2009, p. 59).

Rosdolsky (2001), responding to Rosa Luxemburg’s criticism of the method used by Marx, argues that not starting from the sensitive world does not mean that he has given up on analyzing an empirically considered reality, nor that the German philosopher confused “capital in general” (general abstraction) with the “reality of capitalism”. For Marx, an investigation into the laws on which the capitalist mode of production is based should first seek the coming to be of capital under ideal conditions, as a “general type”. In the transition from analyzing “capital in general” to “private capital”, “real capitals” demonstrate the emergence of new determinations that do not eliminate the most abstract forms, which continue to be recurrent and contained in those that are more concrete.

It follows that, when analyzing the empirical realities of real estate markets/submarkets, many factors, relationships, conditions and possibilities may be taken into account. But apprehending the totality of specific markets/submarkets and their essential dialectical connections must be captured theoretically, even before their concreteness is unveiled at a detailed level.

To build his theory of bourgeois society, i.e., to reproduce on a theoretical level<sup>5</sup> (of thought), the real movement of bourgeois society, in the capitalist mode of production, Marx sought out its general laws, i.e., its universal regularities (NETTO, 2011). For Marx, bourgeois society is a totality of maximum complexity, composed of complex totalities of a lesser complexity. As a result, “it is down to an analysis of each of the constitutive complexes of the totalities to clarify the tendencies that specifically operate in each one of them” (NETTO, 2011, p. 56).

In the case of reconstructing, on the level of thought, the real movement of the real estate market in contemporary capitalism, the questions that emerge are: what simpler, foundational and broader categories<sup>6</sup> should be the basis in order to analyze this totality? How may the object of study be stripped down to its essential, structuring parts, relationships and laws? How may a hierarchy of process determinations be established, between the parts and the relationships and between these and the whole?

In this article, it is assumed that the real estate market manifests itself as a unit in a wider network of founding relationships, in which it assumes centrality. In this network, numerous connections and contradictory relationships are inserted, which extend from the processes of land appropriation, through intermediate production processes of the real estate commodity itself, to how the mechanisms of circulation, exchange and consumption of the real estate commodity function.

As the real estate market articulates with movements in the growth, valorization and crisis of capital, it integrates with other hierarchically superior totalities, linked to the capitalist mode of production, to the processes of globalization and financialization of the world economy. Furthermore, it contains and subordinates other internal and hierarchically inferior totalities and presents a systemic, historical, changing and, therefore, transitory character.

## 1.2 Exploring the singular-particular-universal triad

It is not the intention of this research to present an unprecedented contribution regarding the singular-particular-universal dialectic as a guiding principle for analyzing the phenomena of reality. Instead, the intention is to indicate some of

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5. For Marx, theory is not limited to a systematic examination, to a description of the forms of manifestation of an object, nor to the construction of explanatory cause-effect models of phenomena by the researcher. For him, theoretical knowledge is the knowledge that the researcher builds, in his mind, of the structure and dynamics of the research object, as it is in its real existence (NETTO, 2011).

6. According to Netto (2011, p. 46), for Marx, categories “express [...] ways of being, determinations of existence, often isolated aspects of [a] determined society” – i.e.: they are objective, real (they belong to the order of being, they are ontological categories).

its implications in the study of the real estate market in any of its manifestations, particular and/or singular.

The central question for debate is: having the particular as mediation, how does singularity articulate with universality and, conversely, how does universality manifest itself in singularity in the case of the real estate market? To unravel this, we utilize the historical-social conception of man, whose foundations were elaborated by Marx, based on the critical position of Hegel's formulations.

Hegel was the first to work with dialectics, in a logic in which contradiction is the explanatory category of the movement and transformation of everything that exists. Moreover, for him, opposite poles – universality and singularity – are not exclusive, since they are part of the same movement. Marx recognized the merit of this philosopher, so he seized and preserved the core of Hegelian dialectic, subtracting what he considered to be false and distorted: the idealist vision, which conceived the real as the result of a thought that started from itself (intuition, for example), went on to the concrete and returned to itself. In this formulation, the whole consists of the operation of thought, a product of the mind that thinks and appropriates the world (MARX, 2011).

Moreover, according to Marx (2011), the Hegelian dialectic was inverted. The “mystical shell” should be removed from it, since he felt that individuals produce their livelihoods and trigger history as their own work, supported by their relationship with concrete material reality. This means that human beings produce following the historical process of development in different phases, of which bourgeois production is just one.

Marx resumed and condensed his theoretical reflections on the dialectical method in the *Grundrisse*, proposing that, based on the chaotic representation of the concrete as a whole, progressive moves should be made toward more subtle abstractions until reaching the simplest determinations of this concrete, which are unveiled through the identification of general relationships present in different historical moments. Upon arriving here, a return is made to the analyzed concrete, which is now seen, no longer according to the initial chaotic perspective of its whole, but as a thought totality, bearing multiple determinations and relationships. The representation of reality emerges, therefore, as a synthesis of determinations and relationships, making the concrete not only the starting point (chaotic concrete), but also the point of arrival (thought concrete).

It is a mistake, therefore, to confuse the concrete with the empirical (PASQUALINI; MARTINS, 2015). One of Marx's most scathing criticisms of the method of bourgeois political economy is that “it takes its categories directly from the empirical and employs them as descriptive concepts of economic forms in their

immediate appearance [...] it remains exterior to its object and it is incapable of developing its categorical determinations from its essential movement” (MULLER, 1982, p. 8).

Netto (2011, p. 45) clarified that the simplest and most general determinations “are placed at the level of universality; in the immediacy of the real, they appear as singularities – but the knowledge of the concrete operates involving universality, singularity and particularity”. For Lukács (1967), particularity plays the role of mediation, since it has the ability to explain mechanisms with implications for the mode of being of singularity and universality.

In general terms, it may be inferred that Marx provides important methodological tools in order to analyze a mode, an object or a singular phenomenon such as the real estate market, and Lukács follows him by explaining the universal-particular-singular dialectic. As these three categories are not sustained in themselves, but only in the dialectical articulation between them, to unravel the totality of a given real estate market/submarket, it is necessary to navigate from the chaotic representation of the whole, go through particularizing abstractions, until reaching the synthesis. After all, “the concrete is concrete because it is the concentration of many determinations” (MARX, 2011, p. 54).<sup>7</sup>

In the Marxist tradition, concrete reality also exists abstractly (concrete in thought). Therefore, Kosik (1976) defends the imperative of overcoming *pseudo-concreteness* in order to arrive at the true concreteness of the phenomena studied. In the case of the real estate market, overcoming the *pseudo-concrete* requires apprehending the general (*universal*) laws that determine and regulate its existence in the objective world. It is also necessary to go beyond the externality of the empirical phenomenon (pseudo-concrete) to unveil the dynamic-causal relationships and the contradictions underlying it, apprehending the multiple mediations that produce it. All of this without forgetting that, if, on the one hand, the *general laws* that govern the real estate market are not presented immediately, on the other, they are expressed and materialized in the diversity of particular and singular determinations of the phenomenon.

From the above, it may be inferred that Marx’s dialectic provides methodological tools to analyze the real estate market. The challenge is to identify the universalities, particularities and singularities of such markets/submarkets and how the articulations, which are dialectical, operate between the multiple determinations arising from these three instances in the totality studied.

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7. N.B. For direct citations the English version was used of MARX, K. Grundrisse. Penguin Books in association with New Left Review (1973, p. 34) Available online at: <https://www.marxists.org/archive/marx/works/1857/grundrisse/index.htm>. Viewed on: September 3, 2022.

Before applying the Marxist dialectic in the exercise of apprehending the universalities, particularities and singularities of the real estate market in the central area of Recife, it is necessary to differentiate the “method of apprehending” from the “method of exposing” the concrete thought. According to Netto (2011, p. 27), for Marx, “in the investigation, the researcher starts from questions, issues; in the exposure, he has begun from the results he obtained in the investigation”, which represents an inversion. Muller (1982) highlights that the method of investigation used by Marx in *Capital* reconstructs this category with the contribution of a previous work of empirical investigation and historical maturation of the object, to “then expose its internal logic according to the nexuses that the analysis seized from among its determinations” (MULLER, 1982, p. 15).

The method of exposing, therefore, concerns the way in which the methodical discourse is organized; “it designates the way in which the object, sufficiently apprehended and analyzed, unfolds within its own articulations and how thought develops them in their corresponding conceptual determinations” (MULLER, 1982, p. 4). The same author (id., p. 18) questions the dialectical legitimacy of the method of exposing:

How to maintain, if it is to be maintained, the specifically dialectical element of the exposure, in the face of this transformation of the dialectic into method in the “subjective” sense, as a reconstructive procedure of an expositor?

Addressing this issue is not easy and is beyond the ambition of this article. For now, the immanent risks are assumed that, in the following discourse, the subjectivism of the authors has interfered. However, since it is understood that it is not a description of Recife’s reality that legitimizes it, but the method that has been used to apprehend it, by way of example, the exercise is presented of applying the singular-particular-universal triad to the analysis of a concrete totality.

## 2. The real estate market: the triad in studying the central area of Recife

The real estate market in contemporary times (post-Fordism), in Brazil and, more specifically, in the central area of Recife, has been adopted as an empirical reference totality. The following analyzes are based on information from empirical reality, collected in several studies.<sup>8</sup> It is possible to identify regularities and

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8. It should be mentioned that, working with secondary information from other studies, it was not possible, in this article, to delve deeper into the analysis and present data related to the participation of financial capital in the real estate market in the study area at the present time, although the need and the urgency is recognized to carry out studies toward this direction.

reconstruct, within the scope of thought, the movement of theoretical categories related to the real estate market, in their universalities, particularities and singularities, in order to subsequently return to empirical reality.

The exposure of the results inverts this logic, starting from the point of arrival. It begins by presenting the general determinations of real estate markets – arising from general laws and the current movement of capital and its social relations. Such universalities have emerged as fundamental so as to explain the singularities of the real estate market in the central area of Recife. Subsequently, the determinations, which result from the necessary mediations for the functioning of the real estate market in the study area are indicated and discussed, in the context of the movement of capital, identifying the particularities that proved to be essential in the links between the universal and the singular. Lastly, the characteristics of the “real estate market in the central area of the state capital of Pernambuco” are presented as the concrete thought, in an effort to synthesize the universality-particularity-singularity categories.

#### 2.1 Universalities in the real estate market

Based on authors who have studied the real estate market – Topalov (1984), Granelle (1998), Harvey (2013), among others – it is possible to recognize five universalities present in any contemporary real estate market, since they are essential for understanding the reality of the central area of Recife.

First: real estate put into circulation, given its long economic life, is a *real asset*. Therefore, different behaviors may be distinguished, at times non excluding, on the part of the agents that operate within this market, with repercussions on the levels of supply and demand for this commodity. Sometimes properties are acquired or rented for the installation of activities (consumer goods), sometimes to obtain gains in future appreciation (speculation), sometimes as a real estate asset that may be transformed into a financial asset, sometimes as a mere value reserve.

Second: real estate has symbolic features when it authorizes its owner to participate in a certain social segment, which, historically, has related it to power. Moreover: the construction of a patrimony, even a modest one, and its transmission represent “the most accessible solution, the most ‘democratic’ [...] reduced to having, the being thereby gains the belief in a profane perpetuation of his/her person” (CAPDEVIELLE, 1986, p. 20). Thus, the individual, faced with the anguish of his finitude, seeks material survival through the durability of his patrimony in the hands of his descendants.

These two universalities underpin the emergence of one of the greatest novelties of the twentieth century, which, according to Piketty (2014), was the

development of a “patrimonial middle class”, whose economic and symbolic identity is related to the possession of patrimony, most notably real estate. This has greatly increased the importance of real estate throughout the capitalist development process. This reality, studied by Piketty in countries such as the UK, France and the United States, has occurred/occurs in underdeveloped countries, such as Brazil.

Third: the dynamics of the real estate market depends on circulating capital (credit). According to Topalov (1984), this subordination occurs due to the characteristics of the cycle of reproduction of real estate capital. Each cycle requires access to urban land ownership. The cost and the production period of the real estate are higher than those of most other goods, because of the high added value (embodied labor). The circulation time of built goods is also long. This good is rarely in immediate solvable demand.

The aforementioned characteristics make the availability of working capital imperative in order to guarantee a return on invested capital before the production cycle is closed. As a result, the real estate market is subject to subsidies and incentives arising from public policies. More recently, with a view to guaranteeing, and even increasing, the volume of financial resources made available, sophisticated products have emerged (stocks and real estate bonds) aimed at raising funds together with the public via the market. In the case of extensive funding, this should be regulated by the State, as in several countries around the world, including Brazil.

Fourth: it is essential that the real estate investment generates surplus profits, to be distributed between the landowner, the real estate developer and the holder of the financial capital. Rufino (2017) highlights that the need for access to credit highlights the role of financial capital in the real estate sector, to the point that it becomes a condition for the advancement of capitalist relations within the sector. As the owner of stocks and real estate bonds, finance capital seeks to capture part of the surplus profit (id., *ibid.*), hence the tendency of exacerbated gains arising from land rent.

For Harvey (2013), although financial capital does not produce value, its circulation in search of appropriating a portion of the land rent (surplus profit), authorizes it to play a strategic role in coordinating real estate investments. Moreover, it is this coordination that shapes a spatial organization of activities adjusted to the real estate market.

Fifth: this coordination is reinforced by the action of the State, which – in addition to making resources available through public policies and regulating the real estate credit market, by establishing the institutional apparatus that gives it operability and security – creates conditions for the valorization of real

estate through the implementation of infrastructures, urban services and urban regulations outlining the parameters of land use and occupation.

The five *universalities* described have imposed, and continue to dictate, *particularities* in the design of *national policies* aimed mainly at boosting the market for new real estate units.

## 2.2 Particularities of the real estate market

In order to understand how the universalities of the current capitalist real estate market are articulated with the singularities of the central area of Recife, it is necessary to examine the particularities of the Brazilian State which, historically, have created conditions and mechanisms to guarantee the production and circulation of real estate across the country. Furthermore, it is necessary to understand how such conditions and mechanisms dialogue, dialectically, with the concrete material circumstances of the study area.

In Brazil, at the beginning of the 1960s, the expansive effects of public and private investments that characterized the import substitution phase were depleted. The possibility of realizing the productive potential was hampered by the reduced purchasing power of the middle classes and by the increasing impossibility of the government and companies to finance or use new sources of external resources (TAVARES, 1981). Within this context, the salary policy was redefined, with extremely unequal income distribution, centered on increasing the real income of the upper strata of the population. In addition, reforms were carried out, such as in banking, which created a new capital market, to facilitate transfers between sectors of the economy.

The banking reform included the creation of the National Housing Bank (BNH),<sup>9</sup> which became part of the National Financial System (SFH). The BNH mobilized SFH resources from, most notably, the Severance Indemnity Fund (FGTS) and the Brazilian Savings and Loans System (SBPE), and, thus, guaranteed the working capital necessary for the production and sale of real estate housing. The economic crisis of the early 1980s substantially shook the two main financial pillars of the SFH (FGTS and SBPE), and this contributed to the demise of the BNH in 1986.

In the early 1990s, Brazil broadened the insertion process into the globalized economy through a series of deregulations, one of the main items being its financial system, incorporated into the international financial system.

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9. All the acronyms for Brazilian institutions have been included as they are commonly used in Portuguese.

In the current design, the system in question is anchored to the securitization of public and private debts, in financial derivatives and in the expansion of institutional investors (pension funds, mutual funds and insurance companies). With this, the connection between international, national and local capitals was consolidated. Such articulation/convergence opened possibilities for financial institutions to identify new frontiers for capital accumulation, which, in Brazil, resulted in strengthening the alliance between financial capital and real estate.

In this process, new mechanisms emerged aimed at real estate financing linked to the capital market, such as the Real Estate Investment Funds (FIIs), established in 1993, and the Mortgage Portfolios, created in 1994. In 1997, the Real Estate Financial System (SFI) emerged, acting, according to Rufino (2017), in a complementary manner to the SFH. In order to give greater strength to the volume of resources destined for real estate production, there was a boost in the issuance of *debentures*, i.e., credit securities issued by companies and traded on the capital market.

It is necessary to emphasize that instruments for capitalizing resources were created, such as Certificates of Real Estate Receivables (CRIs), an alternative for those who want to have liquidity and security when accessing the real estate market. It is also appropriate to comment on the planetary interdependence of real estate markets. The Brazilian case is paradigmatic.

In 2008, the world economy was plunged into a severe crisis, originating in the US real estate sector, which interrupted the longest cycle of economic growth in Brazil (2004-2013). The country's response to facing this crisis consisted of expanding public spending, based on a set of measures, among which were the reduction of interest rates on housing loans and the flexibilization of the rules for granting these loans, important measures for increasing the demand for residential properties. As a result, the real estate market underwent a sharp expansion and valorization in the prices in practice.

The global crisis led to an unprecedented survey of residential real estate market prices in more than fifty countries, under the coordination of the Bank for International Settlements (BIS), a kind of central bank of national central banks. In Brazil, the survey was conducted by the Central Bank and demonstrated that, during the period from 2008 to the third semester of 2013, the average value per square meter of residential properties more than doubled (121.6%). The sharpest rise occurred between 2008 and the beginning of 2011, when the annual valorization of housing properties systematically remained above 20%. In the following quarters, the pace decelerated, reaching close to 15% and reducing, in 2013, to the level of 9% (NAKAGAWA, 2014).

Added to this, the emergence of new centers of capitalism and the displacement of the planetary territorial axis of the capital accumulation through real estate toward oil producing countries, in the Arab Mediterranean and in regions of Asia, with China as the main pole, accompanied by South Korea, Malaysia, Thailand and other countries. This market, according to Nunes, Nunes and Lacerda (2017), took on new features from the second quarter of the last century, with the emergence of large urban projects, linked to the three processes (globalization, deregulation and flexibilization) that command the movements of restructuring and the search for a solution to the crisis of Fordist capitalism, which began in the 1970s.

This signified the tearing down of protectionist walls and the installation of an idyllic model of world competition (ABRAMO, 1995), with emphasis on competition between cities, driven by financialization processes and their impacts on restructuring real estate. Such projects configure what Harvey (1990) called the postmodern urban form, characterized by the return of monumentalist “urban art”, with the “patronage” of real estate development, a return sustained even by the previously mentioned novelty indicated by Piketty (2014): the expansion of the “patrimonial middle class”.

It should be asserted, once again, that *identifying particularities of the Brazilian case* still signifies remaining in the domain of the abstract. Studies that seek to identify the evolution of the real estate market, national or local, are common, based on analyzes related to the participation of real estate production in the gross domestic product (GDP); the effects of financialization on the sector and its implications for the structuring and expansion of cities, whether or not there is a concentration of production, etc. These are, above all, partial analyses, since they are linked to the production and marketing of new units intended for sale.

By focusing on certain particularities of the national real estate market that favor real estate production, studies on the real estate market often either omit or conceal very relevant aspects, such as idle real estate stock, the characteristics and role of transactions (lease or purchase-sale) of used properties; the non-solvability of an important fraction of the demand; the process of fictitious devalorization of properties to increase the sale of new properties; the expansion of the informal market as a result of the inability of low-income populations to access so-called formal markets, etc. Lastly, they neglect the extent to which the “urban growth machine” (LOGAN; MOLOTCH, 1996), commanded by the real estate sector, brings about an excessive valorization of urban land, excluding a considerable part of the population from access to real estate, essentially, in contemporary capitalism, the city, when stagnant, is devalued and, with it, the fixed assets.

All these concealments assume different characteristics depending on how the universalities, particularities and singularities are designed, articulated and dialectically unified, forming real concrete totalities. This will be clearly noted in the case of the central area of Recife.

### 2.3 Singularities in the real estate market in the central area of Recife: from the pseudo-concrete to the thought concrete

Given the impossibility of revealing all the singularities present in the metropolitan real estate market in Recife, the real estate market in the central area of the city was chosen, which encompasses the historic center and the immediate surroundings. This market has been dynamized over the past thirty years, both by national policies and other previously mentioned particularities, and as a result of state and local socioeconomic transformations that have culminated: (i) through the growing interest of companies to become installed in the central area, which has caused a transformation in the economic and social division of this space (secondary real estate market); (ii) a progressive increase in the real estate market's enthusiasm for the surroundings (primary real estate market); and (iii) the pressure that this market has exerted on the used real estate market (secondary real estate market), particularly housing.

The 1990s witnessed the continued stagnation of the Brazilian economy. The low growth rates of the economy were not sufficiently changed with the country's insertion into the logic of globalized accumulation, maintaining high levels of unemployment. This motivated the adhesion of local governments to the so-called strategic planning model for cities, with the aim of attracting companies. The expectation of creating new jobs would justify the concentration of public investments in a few, selective areas of the city, surpassing, once and for all, comprehensive planning (FERNANDES, 2001).

It was in this context that the state government of Pernambuco, in partnership with the City Hall of Recife, elected this neighborhood of Recife (Bairro do Recife), the birthplace of the city, as one of the territories to attract investors. In 1992, the Recife Neighborhood Revitalization Plan was drawn up, with the aim of making it a regional center for modern services, commerce, leisure and culture for Recife residents, as well as a national and international tourist hub. Initial efforts were focused on implementing activities such as bars and restaurants, but from the late 1990s onwards, several of these activities closed their doors, due to the lack of a demand that should have been generated by other activities, within the neighborhood itself.

The strategies of the Revitalization Plan were revised based on the opportunities provided by a joint action of academics, public managers and the

private sector, gathered around the implementation of a technology park within a context of a national opening of the information technology market: the Porto Digital (PD).

In order to welcome companies, investments were made by the state government in the providing/improving infrastructures. To manage the project, the Porto Digital Management Center was created, a non-profit social organization. In 2006, as an incentive, information and communication technology companies located in the Recife neighborhood were granted a 60% reduction in the ISS (a municipal service tax), which was a considerable attraction.

Between 2013 and 2016, the territorial scope of the PD was expanded (Figure 1) and the sectors covered by the reduction of the ISS, including the creative and educational economy. In 2020, the PD housed 340 companies, 151 of which were partially exempt from ISS; 11,400 jobs had been created, stimulating the recovery of 100,000 m2 of built area and with revenues of R\$ 2.86 billion (21.7% higher than that recorded in 2019 (BELFORT, 2021).

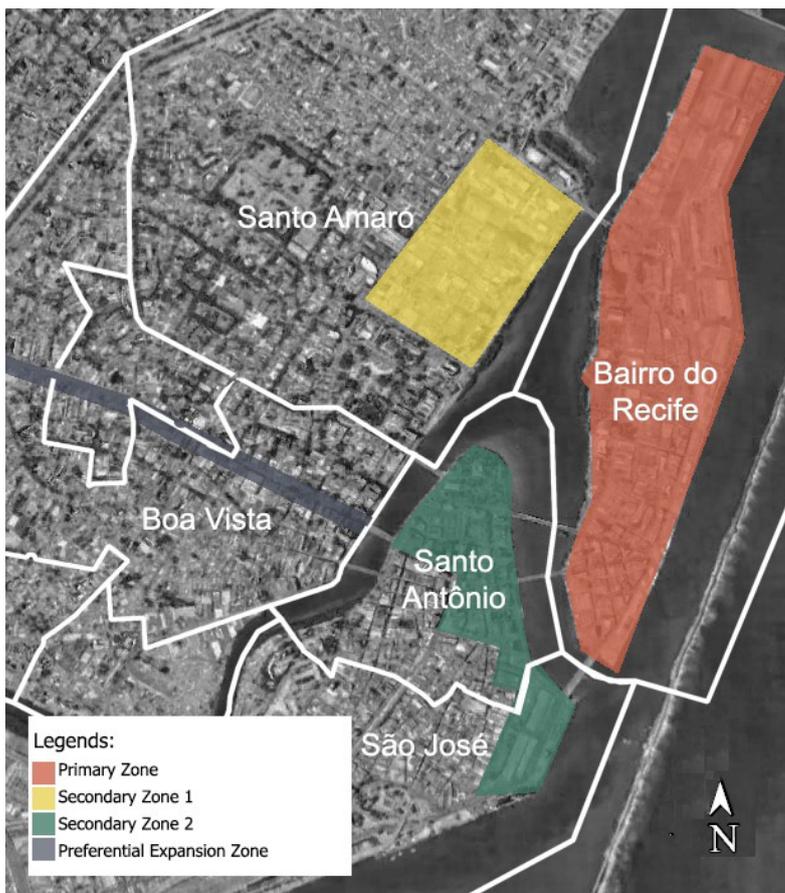


Figure 1. Territorial coverage area of the Porto Digital Project (PD)

Source: Municipal Law No. 18.168/2015. Produced by: Gemfi/UFPE (2019).

At the beginning of the 2000s, as a result of new regulatory mechanisms and the raising of funds for real estate investments and the expectation of continuity of the rehabilitation process, housing investments began to emerge in the surrounding areas of the Historic Center of Recife, which became a “new frontier” for real estate investments, most notably housing (the so-called “Twin Towers” were the initial symbolic mark of this process).

At the same time, the federal higher education policy, with the University for All Program and the Student Financing Fund, favored the rediscovery, by the private educational sector, of the Santo Antônio neighborhood, located in the Historic Center of Recife (Figure 1). Old, degraded buildings were recuperated in order to house courses and universities.

All this took place in an environment in which the state economy presented positive indicators. Pernambuco grew at an average rate of 4.1% p.a., in the period from 2007 to 2014, when Brazil registered 3.5% p.a. Civil construction had an average increase of 5.9% p.a. in the same period, including the *Minha Casa Minha Vida* [My Home, My Life] Program, inaugurated in 2009 (ARAÚJO; SANTOS, 2018).

Still in the early 2010s, the New Port Project began to be implemented, at Cais do Porto (Port Wharf), with the aim of renovating old warehouses to house bars, restaurants, a museum, a maritime terminal and other establishments. More recently, the following real estate developments have emerged: the New Recife Project (1,042 homes); the Moinho Recife Project (corporate and residential environments – 251 dwellings); Hotel Marinas (240 rooms); Hilton Hotel (132 rooms), Convention Center, in addition to other housing developments in the Santo Amaro neighborhood (Figure 2).

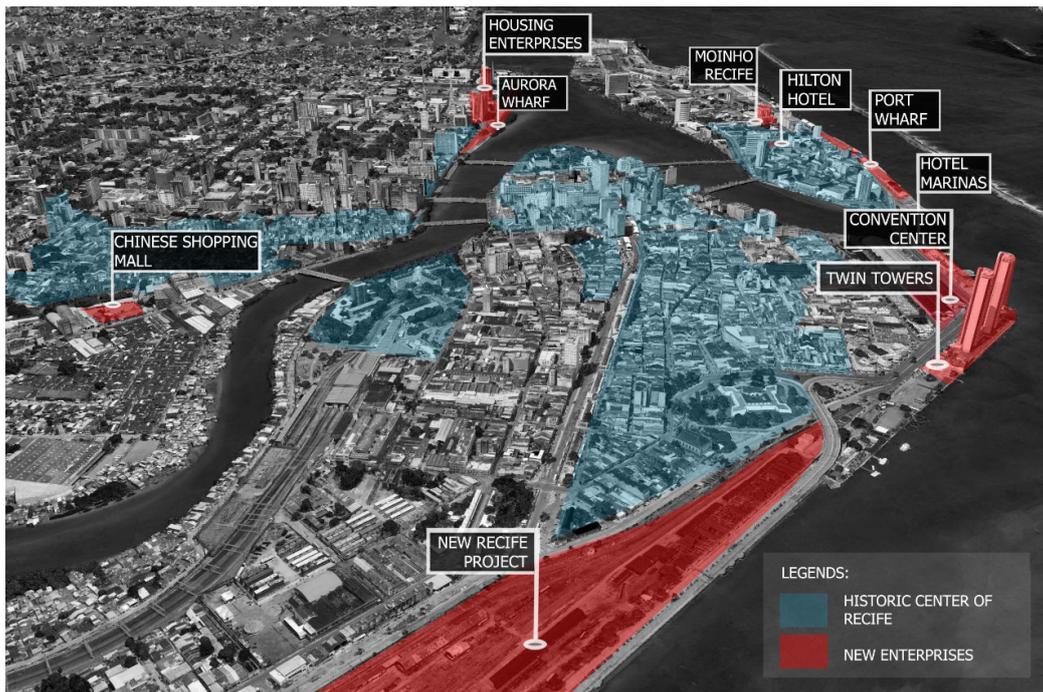


Figure 2. Real estate developments being implemented in the central area of Recife (2022)

Source: Google Earth, 2021. Produced by: Gemfi/UFPE (2022).

The dialectical articulation between universalities-particularities and singularities has configured a very diversified real estate market in the study area and, as a result of the rigid protectionist urban regulations, in the Historic Center of Recife, the offer of real estate is relatively inelastic in the area. Property owners must, by law, maintain the architectural qualities without expanding built-up areas. Therefore, they have two options: abandonment or renovation (LACERDA; BERNARDINO, 2020, p. 927).

On the other hand, urban planning legislation, by allowing land relocations around the Historic Center and high land use coefficients, confers a strong elasticity onto the offer. Thus, it is facing a market based on the denial of this space as a place of residence (BERNARDINO; LACERDA, 2015) and on the implementation of projects around this center, although the current moment is of crisis.

In view of the above, it may be stated that the general determinations (universalities) inherent to the real estate market – with emphasis in recent years on the strategic role of financial capital – have boosted the formulation and implementation of national housing policies that, combined with other public policies, such as those aimed at the IT and higher education sectors, have had repercussions on the real estate market in the central area of Recife. However, local singularities are encountered with which they are dialectically articulated.

In the neighborhoods of Recife and Santo Antônio, in a socially and economically favorable context of the state of Pernambuco and the city of Recife, the dynamism of the buying and selling and renting markets may be observed. In the neighborhoods of São José and Boa Vista, an insufficiency of government incentives and the inherited socioeconomic and spatial characteristics – from commercial and popular housing neighborhoods, respectively – have resulted in a lack of interest in making large investments on the part of real estate capital and private companies. In these neighborhoods, the rental market predominates and there are signs of the heritage assets undergoing processes of ruination.

In the surrounding area of the Historic Center, the expansion of real estate capital, especially financialized, has occurred since the beginning of the present century, which makes these surroundings a frontier of capital accumulation, in the process of exploration.

## Conclusions

Based on the Marxist dialectical method, this article has aimed to demonstrate that understanding the real estate market involves a permanent, systematic relational analysis between universalities, particularities and singularities. This is neither an exclusive nor a totally innovative debate. It is situated within the scope of a broad process of social production of knowledge on the real estate market, in which several authors have participated with various contributions, many of which have been incorporated herein, either explicitly or implicitly.

The work has illustrated that access to knowledge on a given real estate market and its singularities, as a *concrete thought*, is impossible without apprehending the universalities and the mediation of *particularities*, even if this knowledge remains in the domain of the *abstract*. It is understood that it is possible to address the “real estate market” as a thought-out, historical and transitory category, resulting from abstraction processes that highlight common elements present in different concrete realities and articulate them with multiple and different determinations, many of them tributary to different times.

More precisely, the intention of this text has been to demonstrate, in the light of dialectical-historical materialism, that studies on the real estate market should – in addition to clearly explaining the temporal, spatial, territorial and analytical cross-sections of the totality to which they refer, as any manual of scientific methodology states – consider the dialectical nexus between the singular, the particular and the universal, present in the analyzed totality.

Addressing, in an isolated manner, just one of these dimensions brings, as a consequence, limited responses, which are incapable of apprehending reality as a

totality integrated by multiple determinations. The example presented of the real estate market in the central area of Recife, although incomplete and unfinished, is illustrative in this regard.

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### **Norma Lacerda**

Architect and urbanist. She holds a Doctorate in Géographie et Aménagement du Territoire from the Sorbonne Nouvelle, Paris III. She is a full professor at the Department of Architecture and Urbanism and on the Postgraduate Program in Urban Development at the Universidade Federal de Pernambuco (UFPE).

**Email:** norma\_lac@yahoo.com.br

**ORCID:** 0000-0003-3596-1736

**Authorship contribution:** Conception; Formal analysis; Investigation; Metodology; Writing – first draft; Writing – review and editing.

### **Helena Lúcia Zagury Tourinho**

Architect and urbanist. She holds a Doctorate in Urban Development from the Universidade Federal de Pernambuco (UFPE). She is a full professor on the Architecture and Urbanism Course on the Postgraduate Program in Development and Urban Environment at the Universidade da Amazônia (Unama).

**Email:** helenazt@uol.com.br

**ORCID:** 0000-0001-7588-1680

**Authorship contribution:** Conception; Formal analysis; Investigation; Methodology; Writing – first draft; Writing – review and editing.

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