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Abstract

The paper focuses on the financialisation of real estate in New York and London as an investment rationale for a group of people that have the means to acquire transnational jobs, and the unique quality that it is perceived to be highly liquid, i.e. easily resold to other investors. Together with the safe haven and socio-cultural characteristics of both cities and the way the real estate market and its professionals are organised, global city residential real estate functions as a 'safe deposit box'. The paper brings together different geographies: of the wealth elite, of offshore financial centres through which most real estate purchases are organised, and of real estate investment locations. It also maps the consequences of the safe deposit box function of real estate, in terms of not only house prices increases, but also of economic, social and cultural changes and how elite decision-making impacted this comprehensive set of changes in the fabric of the city. In doing this, the paper substantiates work on the financialisation of real estate by focusing attention on the agency of the wealth elite and their investment and legal networks rather than on property developers, housing associations or institutional investors.



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