

Paris for Sale

by Loïc Bonneval

Which actors are responsible for creating housing markets? A recent book looks at how Parisian real estate changed in the late nineteenth century, revealing how the property boom radically altered relationships to the city.

Reviewed: Alexia Yates, *Selling Paris* (Cambridge, MA: Harvard University Press, 2015, 368 p.

In *Selling Paris*, Alexia Yates retraces the commodification of housing in Paris between 1870 and 1914 in Paris. The book not only offers a new take on the urbanisation of the capital¹ and its building cycles,² it also sheds fresh light on the property market as a social construction driven by a wide constellation of actors: public authorities, banks, builders, property owners, and estate agents. Broaching housing as a commodity is not self-evident: Christian Topalov even described it as an ‘impossible merchandise’.³ At the intersection of economic history and urban history, *Selling Paris* is also relevant to the sociology of markets, which has given little focus to housing.

The property development boom in fin-de-siècle Paris

The property market experienced several growth phases before 1870, for example with the sale of national assets during the Revolution and, of course, under Haussmann who was

¹ This urbanisation has a very substantial historiography, although it has mainly focused on the Haussmann period rather than the late nineteenth century (for example, David Harvey’s book, *Paris, Capital of Modernity* [Abingdon: Routledge, 2006] recently translated into French as *Paris capital de la modernité* [Paris: Les prairies ordinaires, 2012]).

² These fluctuations have also given rise to many publications, including in particular Michel Lescure’s work (*Les banques, L’État et le marché immobilier en France 1820-1940* [Paris, EHESS, 1982]).

³ Christian Topalov, *Le logement en France, histoire d’une marchandise impossible* (Paris: FNSP, 1987).

Prefect of Paris from 1853 to 1870. However, the Third Republic saw even greater expansion. More buildings were built during the 1880s boom than during the heyday of Haussmannisation. In many ways, there was a break with the past:⁴ construction corresponded less to an overall plan than under the Second Republic, property firms changed nature (they tended to be created for specific projects), and building sites took root in new areas and were more dispersed. The Republican municipal councillors took a critical view of the old regime's public spending, while nonetheless remaining aware that property was a driving force for urban and economic growth. The building industry not only created considerable employment, it was also perceived as the barometer of a city's prosperity.

The private actors involved in this property expansion are less well known than those who were the face of Haussmannisation, such as the Pereire brothers. Paul Fouquiau – one of the main speculators of the time – failed to make his mark on posterity. An architect and entrepreneur, he created no fewer than 12 firms during the 1880s boom, particularly in Montmartre, and is the perfect example of this category of speculators: actors in urban development who might be viewed as forerunners of the property developers of the latter half of the twentieth century.⁵ Real estate companies developed a speculative relationship to property, which became an investment product in competition with moveable goods. They also contributed to a relative concentration of property even though most buildings belonged to rentiers. When it came to rental management, the latter used intermediaries who became key cogs in the market machine.

In this context, public authorities relied on private initiative for urban development. Property owners failed, however, to represent either the general interest or urban modernity, whereas city experts rose increasingly to power (urban planners, public works engineers, etc.). The limited success of the property owners' associations created by the 1888 legislation⁶ revealed the contradiction between, on the one hand, reducing property to an investment asset, which was a condition for property expansion, and, on the other hand, the constraints of committing to local development. Just as H el ene Michel has shown the relatively weak political influence wielded by property owners given their social and economic power,⁷ Alexia Yates underscores the limitations of their role in shaping the urban world, beyond residential housing.

⁴ There was some continuity, however, as projects run by companies from the Haussmann period were pursued in central neighbourhoods.

⁵ Christian Topalov, *op. cit.*

⁶ The 1888 allowed property owners to form an association with a view to undertaking and managing public works (mainly concerning roadways).

⁷ H el ene Michel, *La cause des propri etaires* (Paris: Belin, 2006).

The social construction of the market

The levers and barriers to this expansion are well documented and outlined in convincing discussions drawing on a broad historiography and a wide range of sources. They form the backdrop for an analysis of the social construction of the market, which is the book's main original contribution.

Speculators' activities meant approaching market trends in objective terms, through the circulation of price indexes, an increasingly flourishing real estate press devoted to property advertisements and news, and the publication of evaluation manuals or maps providing average prices per square metre. This endorsed the notion of the market as impersonal, with naturalized mechanisms, and this perspective largely persists today. It also contributed to framing housing as a commodity in its own right and the property market as a space of permanent exchange, much like the stock exchange.

At the same time, these market tools also created the specificity of property as compared to moveable assets by making location the main criterion for evaluation and by sometimes defending the idea that buildings had 'intrinsic value' beyond any economic fluctuations. Consequently, builders accepted restrictions upon their ability to transform the urban space and recognised that they had to respond to a pre-existing and locally defined 'demand' in order for their endeavour to be successful. The points of view circulating in the professional world of construction were not that far from the analyses of sociologist Maurice Halbwachs, for whom speculators' practices implemented collective trends:

Invocations of the '*besoins du quartier*' expressed an understanding of urban space as a material and historical source that impressed upon and remained ungovernable by speculative interventions. (...) The city was not subsumed to the market, and speculators could get it wrong. (...) These were impulses that Halbwachs would easily recognize: speculators were to follow rather than attempt to lead the city's natural development. (p. 96).

Beyond these calculating and measuring tools, the market culture developed in other ways too. Intermediaries in the property market played an important role. They grew massively in number in the late nineteenth century, particularly as the structure of the property market evolved as mentioned above, encouraging owners to delegate finding tenants to professionals. Nevertheless, historians have tended to ignore these actors. The sector was strongly competitive, particularly due to the opposition between real estate agents and *agents d'affaires* (with a broader scope of activities) and met with hostility from established actors such as solicitors. Professional organisations only took shape properly in the twentieth century, after the First World War. This situation fuelled aggressive commercial practices and encouraged considerable expansion of property advertising. The intermediaries' agencies resembled large shops showcasing an abundant supply of housing and a continuous stream of good deals available on the market.

The author shows the value of classified ads in urban history; their very content created a particular relationship to the market, to housing, and even to the city. Such advertisements made little reference to the notion of home or the private space, unlike in other countries. On the contrary, the prevalence of interior floor plans was perceived as a way of displaying what lay behind the buildings' façades. This was an invitation to explore the city in a new way, heralding the fashion of property tourism and flat-hunting. In many ways, this unprecedented relationship to the city extended the urban experiences of modernity described by Walter Benjamin, and others in his wake, through figures such as the *flâneur*. Such experiences also reflected the emergence of consumerism in the domestic sphere.

The chaotic activity of competitive estate agents, each claiming to out-perform the next, pulled the world of property distribution into the consumer culture of the late nineteenth century. (p. 173)

However, these changes were not completely taken to their logical conclusion and did not result in a single space centralising all the offers on the market, much less in an exchange market listing rent and prices; the widespread use of property advertising therefore fell short of creating market transparency as conceived by neoclassical economic theory. The expansion of the market sphere was limited by a certain ambivalence in the relationship to property, illustrated by the separation between property law and commercial law in the Napoleonic Code.

The Napoleonic Code perpetuated associations between landed proprietorship, nobility, and social order; its treatment of real estate was tinged with an anti-commercial ethos that found little value in facilitating the expansion of credit and debt. (p. 125)

In a stimulating epilogue, Alexia Yates reminds us that the process through which housing became commercialised was neither automatic nor inevitable. She offers an original extension of her analysis to the inter-war period. Public intervention in the market disrupted the frameworks established by property professionals in the Belle Époque but also countered their failings. Rent moratoria limiting price dispersion, measures against 'illicit speculation' (the 1919 law) and (unsuccessful) efforts to create municipal listings of housing offers can all be seen as pulling towards a more centralised market. Beyond this extension to the 1920s, *Selling Paris* also opens up avenues for new research into public intervention as a key actor in shaping the market rather than just in countering its excesses.

It is perhaps a shame that the book does not provide sufficient detail about actors' asset management strategies (whether rentiers or property firms) or about the rationales underpinning their investment and management decisions. However, its main value lies both upstream from this issue, in its study of how housing became an investment product, and downstream too, in its analysis of the links between the commodification of housing and city-dwellers' relationship to urban modernity.

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