

## NEW ELEMENTS FOR A RESEARCH AGENDA ON BRAZILIAN CITIES: THE GROWTH OF REAL ESTATE WEALTH AND THE WIDENING OF SOCIO-SPATIAL INEQUALITIES

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**KEYWORDS:**

Production of urban space  
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**ABSTRACT:**

This article presents and analyzes a set of data and information regarding crucial processes for the understanding of transformations of which Brazilian cities have and are undergoing over course of the last ten years. It attempts to bring to light and problematize data and information which enable for a greater understanding of changes which are operated from multiple geographical scales over production process of the urban space. Some analytical clippings shall be utilized. Firstly, there is the introduction of a set of empirical data which aids in the reflection of the recent real estate appreciation wave which took place, albeit in a different manner, over all cities of the urban Brazilian network, ever since the persistent increase in real estate values. The information utilized, though still not quite broadly explored in Brazilian literature, refers to the value of real estate property declared by families to the Brazilian Federal Revenue, the national tax collection authority. Essentially, this is a sample which indicates, on a national scale, the real estate re-appreciation processes in a clear fashion. Secondly, the discussion focuses on the city itself; more particularly on specific geographical sectors which, from socio-economical information provenient from heads of family households, seeks to ascertain alterations in the intra-urban location standards, thus substantiating non-trivial processes of relocation, especially those of families of a higher income. Lastly, this text attempts to articulate the two previously explored dimensions by seeking more consistent hypotheses for a work agenda.

### NOVOS ELEMENTOS PARA UMA AGENDA DE PESQUISA SOBRE AS CIDADES BRASILEIRAS: O CRESCIMENTO DA RIQUEZA IMOBILIÁRIA E A AMPLIAÇÃO DAS DESIGUALDADES SOCIOESPACIAIS

**RESUMO:**

Este texto apresenta e analisa um conjunto de dados e informações a respeito de alguns processos cruciais para a compreensão das transformações pelas quais passaram e vem passando as cidades brasileiras nos últimos dez anos. Trata-se de trazer a público e problematizar dados e informações que possibilitam compreender mudanças que são operadas a partir de múltiplas escalas geográficas sobre os processos de produção do espaço urbano. Alguns recortes analíticos são aqui utilizados. Em primeiro lugar, trata-se de introduzir na análise um conjunto de dados empíricos que auxiliam na reflexão sobre a recente onda de valorização imobiliária que incidiu, diferenciadamente, sobre todas as cidades da rede urbana

**PALAVRAS-CHAVE:**

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Desigualdades socioespaciais

brasileira a partir do persistente crescimento dos preços imobiliários. As informações utilizadas, ainda pouco exploradas na literatura brasileira, referem-se ao valor do patrimônio imobiliário declarado pelas famílias junto à Receita Federal do Brasil, autoridade tributária nacional. Trata-se de uma amostragem que indica claramente os processos de revalorização dos bens imóveis na escala nacional. Em segundo lugar, a discussão volta-se para a escala da cidade e, mais particularmente, para setores geográficos específicos que, a partir de informações socioeconômicas de chefes de família residentes, procura averiguar alterações em seus padrões de localização intra-urbana evidenciando processos não triviais de realocação, principalmente de famílias de mais altos rendimentos. Por fim, o texto procura articular as duas dimensões anteriormente exploradas, buscando hipóteses mais consistentes para uma agenda de trabalho.

**NUEVOS ELEMENTOS PARA UNA AGENDA DE INVESTIGACIÓN SOBRE LAS CIUDADES BRASILEÑAS: EL CRECIMIENTO DE LA RIQUEZA INMOBILIARIA Y LA AMPLIACIÓN DE LAS DESIGUALDADES SOCIALES**

**PALABRAS CLAVE:**  
Producción del espacio urbano  
Valoración de bienes raíces  
Ciudades intermedias  
Desigualdades socio-espaciales

**RESUMEN:**

El presente texto presenta y analiza un conjunto de datos y informaciones respecto a importante procesos que ayudan a comprender las transformaciones por que pasaran y continúan pasando las ciudades brasileñas en los últimos diez años. Son trazados a público y problematizados datos e informaciones que permiten comprender cambios que son operados a partir de múltiples escalas geográficas involucradas en el proceso de producción del espacio urbano. Algunos recortes analíticos son aquí utilizados. En un primer lugar son introducidos un conjunto de datos empíricos que auxilian en la reflexión sobre la reciente ola de valorización inmobiliaria presente, diferencialmente, sobre todas las ciudades brasileñas con el persistente crecimiento de los precios de los inmuebles. Las informaciones utilizadas, aún poco exploradas en la literatura urbana nacional, están referidas al patrimonio inmobiliario de las familias, registrado por la autoridad fiscal nacional (Receita Federal). Los datos indican claramente el proceso de revalorización de los inmuebles en la escala nacional. En un segundo lugar, la discusión se centra en la escala de la ciudad y, más en particular, en sectores geográficos específicos, a partir de informaciones socioeconómicas de residentes jefes de hogar y tiene por objeto determinar los cambios en sus patrones de localización lo que demuestra procesos intra-urbanos de reubicación no triviales, principalmente de las familias de ingresos más altos. Por último, el texto busca la articulación de las dos dimensiones exploradas anteriormente, en la búsqueda de construcción de hipótesis más consistente para una agenda de trabajo futuro.

**INTRODUÇÃO**

This article presents and analyzes a set of data and information regarding a number of crucial processes for understanding the transformations under which Brazilian cities have gone and continue to go through, over the last ten years. One of the main goals is to bring

insight and problematize data and information which may allow for a better understanding of changes that are orchestrated over multiple geographical scales on the production process of the urban space.

A number of analytical clippings are utilized. Firstly, we intend to introduce an empirical data set which shall aid in the reflections over the recent wave of real estate appreciation which applied a significant impact on all cities belonging to the Brazilian urban network, though in differentiated fashion, starting with the increase in real estate values, especially where urban land is concerned, during the first decade after the turning of the millennium. The information used, although still not quite well explored by Brazilian literature, refers to the value of real estate property which is declared by families to the Brazilian Internal Revenue Service Agencies. This is, therefore, a sampling which clearly indicates the processes of appreciation e re-appreciation of real estate assets on a national scale, whilst differentiating them according to their typologies.

Secondly, the discussion shifts toward the city scale, particularly toward specific geographical sectors of select cities, which, from socio-economical data obtained from heads of resident families, sought to verify changes in their intra-urban location standards, thus evincing non-trivial relocation processes, especially in higher-income families. Last but not least, thirdly, we attempt to articulate, within the text, the two previously explored dimensions, in order to seek more consistent hypotheses for a work agenda.

Though before delving into the discussion, two key observations are necessary, so as to situate the exposed set of questions in this paper and justify their interest. The first one is regarding its link with the ongoing research on the recent behavior of real estate dynamics in different Brazilian cities. The composition of databases on real estate offers regarding land, single-family residences, and residential apartments, their prices and locations in various cities, starting in 1995 until more recent years have allowed for a clearer assessment of distinct processes which directly impacts on: - the conditions of access to housing for different income segments; - the action of companies belonging to the real estate sector which diversify their action strategies, thus promoting new articulations between real estate capitals in each city and in others that act on a national scale; - the spatial selectivity of such capitals which hence segment and amplify the internal differentiation of each urban area in such fashion as to attract different ranges of income groups into spaces previously and strategically chosen and planned with distinguished characteristics. The work of Melazzo (2012; 2013), Alcantara (2013), and Abreu (2014) explore such changes and have gained continuity, thus expanding knowledge on the conditions of the inner-workings of the Brazilian real estate market, its agents, strategies as well as its spatial effects.

These works, along with those from Coimbra (2013), Nascimento (2013) and Costa (2013b), amongst others, have presented diverse regularities or common dynamics in the workings of the real estate market in different Brazilian cities, which in turn contributes to the advancement of analyses that deal with production processes in the urban space, from the macroeconomical elements and variables which condition them, without ignoring the distinguishing features of each city.

The second key observation is regarding the focus and primacy conceded for the analysis for the entitled medium-sized cities, as well as the the referenced research found in previous paragraphs may be mentioned once more.

The ongoing investigations in the ReCiMe framework – Rede de Pesquisadores sobre Cidades Médias (Medium-Sized Cities Researchers' Network) have allowed for a more accurate elaboration not only in terms of empirical knowledge on the matter, but also in the sense of being geared towards a gradual theoretical drafting of such a work subject as the medium-sized city.

When choosing the “economic agents and the regional and urban restructuring” as the focus of the analysis and as the proverbial conducting wires for the interpretation of different Brazilian medium-sized cities as well as in other Latin American countries, ReCiMe simultaneously recognizes and values the diversity of the processes, forms and contents of contemporary urbanization while also seeking to bring about advances in a polysemic area fraught with divergences and conceptual ambiguities such as those portrayed by Sposito, Elias and Soares (2010).

The aforementioned diversity, easily recognizable from the consideration of singular temporalities and spatialities, therefore gains a common nexus of interpretations provenient from the more and more complex roles and functions that such cities begin to develop or comply with in the territorial division of labor, which, in summary is commanded by spatial logics of capital appreciation; a process not lacking in contradictions as well as having a reputation for being progressive and antagonistic, under the terms proposed by Brandão (2007; 2008).

Medium-sized cities, therefore, may and should be observed from the perspective of their roles and functions when “collecting”, concentrating, distributing and redistributing territorially produced surpluses in their immediate geographical scales of coverage, i.e., on the scale of the region and urban network to which it was submitted or controlled. Additionally, and on the same note, such observations may not be careless of the registry as to how they articulate, promote, relate, enable and match, in distinguishing manners, the key fabrics in regard to the relation to other cities situated in other geographical scales, such as regional, national and even international metropolises, as in the terms proposed by Sobarzo (2010) in regards to the junctions of verticalities and horizontalities, or perhaps even given the production of urban heterarchies, as proposed by Catelan (2012).

Such analyses have helped to problematize medium-sized cities, not only in regards to the intermediary position they occupy in the urban network (which grows more complex and articulated), but also due to the widening territorial labor divisions and technical densification which are present in these land spots, capable of providing support as well as enabling actions and intents of agents that may come to act on a plethora of geographical scales, thus appropriating themselves of a local and regional, broad and attractive consumer market.

It is these exposed issues that serve as a starting point for the main proposal of this paper: to articulate and combine the elements located in distinct geographical scales; the national one, as well as the one regarding medium -sized cities in an attempt to seize ongoing processes of change, whilst being wary of the necessary incorporation of structural traces and characteristics which conform Brazilian urbanization, impacted by diversity.

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## **REAL ESTATE REAPPRECIATION AS A PRIVILEGED MOMENT OF THE PRODUCTION OF URBAN SPACE**

One cannot deny that, as in any other market, real estate is indeed subject to and conditioned by the more general conditions of the economic environment in which it develops, be it with greater intensity on a national scale and parameterized by the determinations of credit volumes, interest rates, tax policies and available revenue movements, or in a more local scale, conditioned by the historical trajectories of each respective city, their diverse positions and geographical situations and, as in many times in Brazilian cases, through diversity and (in)coherence of urbanistic legislations, as imparted by attributes of municipal powers.

Such issues still need to be qualified, due to the more recent changes observed in different Brazilian cities and which started to become registered in more specialized publications (TAKAOKA; ALENCAR, 2008): since 2004 there has been a resurgence of real estate and agrarian businesses, given the increase in available credit in the housing sector, as well as in financing periods, and a decrease in interest rates. Meanwhile, new plateaus of real estate businesses have been witnessed, including the public listing of companies from the real estate sector; an unprecedented phenomenon in the Brazilian landscape, as well as the start of its operations in the stock exchange (FIX, 2011, SHIMBO, 2012 and MELAZZO, 2013).

This set of matters have caused property costs to rise, with clear impacts on the intra-urban structuring processes in cities of different sizes, including medium-sized ones, as for instance, it is part of their duty fulfillment in the public listing process and the introduction of shares and expansion of stocks and assets (this case being vast extensions of urban land) as well as the unleashing of different strategies in order to maintain them at sizable prices, since the relation between real estate property values of each company, the present and future operational profit perspectives as well as the sustainment or elevation of share prices negotiated in the stock exchange are strong.

The productive strategies of each company of the real estate segment, in order to move beyond the permanent search for a greater number of real estate offerings, seeking to obtain ever larger rent sums, articulating strategies in order to secure future profits, be they eminently financial ones, or yet those provenient from expected future property revenues, under the terms proposed by Smolka (1987) and Harvey (1990).

Despite serious difficulties in obtaining empirical data which may allow for advances in the understanding of such processes, i.e., given the restrictions to precise assessments on the intensity and impacts, from a national macroeconomical viewpoint from each city, some data indicates that, on a national scale, a constant and permanent real estate family wealth property reappreciation movement has taken place. However, in Melazzo (1993) or as in Costa (2013a) limits and hurdles from a number of data sources have been presented when attempting to undertake a broader assessment, whether in the total monetary value of the Brazilian real estate property or in its specific weight in the amount of wealth held by Brazilian families, or even so that one may advance in understanding the complex connections and combinations between economic cycles and circumstances of the real estate market.

However, a number of aggregate data originating from Brazilian families' income statements, i.e., private individuals, may help establish some of the aforementioned connections and combinations. Fundamentally, that is the freely provided information by

each individual in the mix and the book values of real estate assets regarding their property for each fiscal year.

The data found in Table I presents, in aggregated values and in real terms (i.e., minus the inflation rate for that period), the declared property value for each year, between 2005 and 2009 (last year of which data is available). The persistent rise between the years of 2005 and 2009 are indeed very notable, even when taking into account the small number of private individuals who are obligated to filing an Annual Income Tax Statement and, less so, the modicum of individuals who do it in a clear and proper manner. To provide a more precise idea of the figures utilized, according to Receita Federal do Brasil - The Brazilian Internal Revenue Service - (2013) in the year of 2005 over 19.56 million statements were filed, whereas in 2010, there were 23.96 mil.

The data offers a clear notion of the relevance in persisting with the investigation on the various ongoing mechanisms which promote an increase in the prices of real estate assets in the present Brazilian scenario and its more general macroeconomical unfoldings in that which, in economic sciences is known as “wealth effect” and its influence on the expectations of future real estate asset appreciation. The main idea is to duly consider the rise in costs of financial assets and, particularly the non-financial ones as well (Table 1), the change of its structure over time in its synergies for raising the demand for consumer credit so that individuals may come to feel “enriched” (AGLIETTA, 1995; COUTINHO; BELLUZZO, 1996, 1998) as well as financial and non-financial investments are debated, albeit a step out of the threshold of this article.

**Table 1** – Brazil: declared value of real estate property assets (2005-2009) in billions of Reais\*

	2005	2006	2007	2008	2009
House	426,47	511,88	491,17	545,27	604,83
Apartment	375,93	421,70	473,30	538,92	606,79
Commercial build.	25,30	28,59	38,19	38,46	43,55
Residential build.	42,66	41,20	45,14	48,26	52,45
Construction	35,24	38,93	44,43	48,85	54,31
Room or complex	34,05	34,79	39,51	40,15	42,45
Bare land	166,61	160,75	176,77	189,15	200,89
Land / Fraction	142,24	158,60	179,97	210,04	345,72

**Source:** Brazil. Ministry of Finance. Federal Revenue Offices. Data consulted on 20.11.2013. Org. of the author. \*Data deflated by IGP-DI, dec/2010.

It is also important to emphasize, with the elaborate arguments here presented in mind, the data regarding “Land/Fraction”, in other words, fragmented lots of land in urban areas. Despite not being the first real estate type in terms of absolute values (a position taken up throughout almost the entire period by “houses” or single family residences) presents not only a trend growing in weight within the total sum of assets, but it is also the real estate asset which presents the greatest volatility in its rising motion between the years of 2005 and 2009. It is also observed that in the year of 2005, the value of houses and apartments represented, respectively, 2.9 and 2.6 times the value of plots of land, dropping down to 1.74 and 1.75 times in 2009, whilst houses and apartments demonstrated an appreciation of

41.8% and 61.4%, respectively in that period, and the fragmented land lots (i.e., urban lots) reaching as far as 143%.

Bearing in mind all of the exposed from a daily angle, the information disclosed by the media in a permanent manner and, as in many cases (and especially in the higher income statements) by the specialized accounting consultants in regards to the permanent and repeated increases in the cost of land, houses, apartments, etc., it is suggested as a strong hypothesis that families and individuals boost/update the potential price of their real estate assets in the annual income tax statements.

As the analytical unfolding of this hypothesis incurs such measures as the reassessment of real estate assets (among others, given the wealth structure of each declaring individual) with a greater intensity in social segments of a higher income and with wealthier properties, thus expanding historical inequalities which have marred Brazilian society. It is still also noted that the different types of real estate assets have come to be treated more and more as assets capable of generating potential present or future revenues, i.e., real estate based assets whose prices have progressively come to behave similarly as other assets, particularly those of a financial nature. At this point one may find connections between a secondary and well organized real estate transactions market, which provides a steadily growing potential liquidity to owners of said properties, with business strategies of the real estate market, with a more or less intense presence in financial markets.

In introducing their capital into the stock exchange, international capital is articulated (real estate funds and other companies) as they actively and increasingly operate in joint ventures, concrete capital starts to respond more substantially to the value demands and momentum led remotely from their headquarters and from each city/locale in which they act. The synchronization of the shifting prices and the production for elements of the very same financial market is solidifying itself as a ubiquitous reality, from the creation and unification of a national market in this segment.

The articulation between older landlord habits and those who come to have their property reappreciated with modern financial strategies is becoming ever more present in each city, regardless of socio-spatial formation origins, and which can be witnessed by the fact that large real estate enterprises present themselves as their own totality as well as through the standardization of projects, the reduction in number of typologies, and the strategically built locations, often with tight bonds with “local authorities, public and private”. Just as relevant is the fact that enterprises and their values have become increasingly and solely responsive towards the pursuit to parameterized profitability and financial gains.

From there the key challenges were determined for a research agenda encompassing as its main focus a deep understanding of the intense rearticulations and interlacing of the geographical scales for the production of the urban and city environments. If inherited socio-spatial inequalities seemed to previously remain on the intra-urban scale, new and more intense ones are now produced. If on a local scale, it appears possible to observe the formation/consolidation of capitals which are launched into the inter-capitalist competition, thus extending interactions between locations, strong interweavings may also be surmised among the planning and management processes of the urban soil which may shed light to these new economic rationales. If on a regional scale, the attraction of surpluses seems to constitute the main hub for an environment built as a wealth polarizer (CANO, 2010), with

the rearticulation of elite economic financiers, on a national scale the formation of a business, investment and new capital network is indicated, with the developing of a national real estate market and with intense relations between agents. Lastly, the world scale is fully materialized in areas, through the financialization of landholding/real estate wealth, the bonds between markets and the extension of a systemic instability, which takes over the economic dynamic in contemporary times.

The broader variations and the growing presence in urban land, signaled by the still uncertain data available, concurs for a better understanding of the gradual, though steadily more intense processes of approximation between landholding and finance.

The active real estate machine ensnares locations and their logic, or yet the logic of the hegemonic agents who attained an action plateau, currently on a national scale. Prices are formed more and more based on future expectations of its expected behavior, considering that real estate assets have grown more intensively seen as assets (hence subject to speculative actions), thus displaying noticeable asymmetries between local offers and demands that become more and more nationalized in terms of urban land and between local demand and nationalized offers in the case of housing. Each city, and, selectively, each preferential area in each city, are turned into goods able to produce wealth and power for its proprietors.

In the same vein, though with its own differing features among different nations (once basic elements are constituted for understanding the lasting international crisis from the late millennium) the analyses which point to the growing articulation between financial and real estate appreciation circuits are nothing new (SAYAD, 1977; LOGAN, 1993 and PAIVA, 2007, for instance).

However, one cannot disregard the global scale as a relevant one, as where many of these various articulations and synergies are produced with definitions on a national and local scales.

It is advocated here that by merely articulating scales and processes which allow for the unravelling, as a last resort, the agents and their projects, a more comprehensive analysis of the production process of the urban space in present-day Brazil may be elaborated. Comparative analyses, which allow for the articulation of common elements and their differences - the general in their complex and inexorable specific manifestations - are necessary in this undertaking.

Just as relevant as interpreting recent price shifts in this market as well as business strategies of legal entities over them is to properly comprehend the synergies between such shifts and the production of concrete urban spaces in each city under analysis, an indeed very daunting task.

With that being said, one question remains: What sort of city is this, which displays strong articulations between the traces of older forms of producing cities in Brazil and the fast transformation features imposed by the new economic constraints?.

## **MEDIUM-SIZED CITIES: THE EXPANSION OF SOCIO-SPATIAL INEQUALITIES**

Bearing these analytical milestones in mind, in Sobarzo (2010), Elias and Pequeno (2010), Lan et al (2010), Soares et al (2010), Henríquez, Arenas and Henríquez (2012),

Melazzo (2012), Maia et al (2013) and Ribeiro (2013), one may find a rich and profound analysis of different medium-sized cities. Such cities are also constituted from different trajectories, acquiesced by urban stories pitched in distinct socio-spatial formations as well as in bases and local/regional economic standards which continuously build on each other and/or acquire new set ups over time, though, today, present multiple common aspects in its structuring processes, various confluences in the dynamics of city production and similarities in the resulting spaces from actions and strategies from the organization of the built environment, which in turn cannot be narrowed down to a single or scant elements.

Among such common aspects, confluences and similarities, one may find socio-spatial inequality not only as a persistent foundation which brings closer realities that are apparently so diverse, yet also grants drive and direction to the very concept of production of the urban space. The analysis of socio-spatial inequalities may and should serve as a guideline and interpretation of medium-sized cities for allowing not only to critically criticize the production mechanisms of these concrete spaces, but also to differentiate them from other urban realities, such as for instance, from the metropolises.

Such efforts gain greater significance when formulated within the intra-urban dimension - even when considering Villaça's warning (1998) - as differently from other spaces produced by the process of urbanization, in medium-sized cities the so-called built environment and its spatial arrangements are not only as complex as the metropolitan reality. They possess the characteristic of a condition related to cities in which, given their territorial dimensions that are smaller than those of a metropolis, the influences, interferences, impacts and synergies sparked by the changes in each one of the elements that compose a city, its parts and objects in its diverse spatial arrangements are more intense and direct, encompassing all of its whole.

In other words, the spatial reach of the installation of a new real estate object or the extension of its urbanized area or even still the alteration/intensification of land uses in a geographical sector (Souza, 2013) are shown to be more direct and visible over the entire urban space. Therefore, this means stating that ongoing urban processes extend more intensively to the set of urban ecumene and not merely a few of its parts.

Things would not be and are no different when it comes to understanding the trajectory and the sense of said socio-spatial inequalities, interpreted here as a process commanding the reorganization of the asymmetric dispute relation between different social classes for the urban space, though which also may be understood as being a result of the same process (MELAZZO, 2007, MELAZZO; GUIMARÃES, 2010; CORREA, 2011 and 2013; SPOSITO, 2011 and 2013 and SOUZA, 2013).

Undertaking such analytical route in understanding medium-sized cities' socio-spatial inequalities (also, why not, of their very selves as well) as a specific moment of the contemporary urbanization process is no easy task, hence may not be tackled individually, as the very own ongoing ReCiMe project scope demonstrates.

Figure 1 shows the medium-sized cities considered in the present article, as well as those others which have been the object of systematic investigations by the Rede de Pesquisadores sobre cidades Médias (Medium-Sized Cities' Researchers Network). When including cities in different States from the federation and Brazilian regions, a rich landscape of the aforementioned socio-spatial Brazilian diversity is obtained.

However, the set of investigations in progress regarding the transformations in the production process of the urban space in medium-sized cities have conducted a series of analyses which, simultaneously, extrapolates the reality of these specific cities in the Brazilian urban network and allow for an understanding and assessment of the sense and depth of the changes in the economic production processes and agents in these cities.

Due to that specific reason, this article, aside from formulating this set of questions, seeks to present and problematize empirical evidence which indicates not only the crucial role performed by socio-spatial inequalities for a better understanding of these urban spaces, but also to ascertain that expansion processes for these inequalities are indeed in progress, or perhaps their amplified reproduction, in Brazilian medium-sized cities.



**Figure 1** – Brazil: medium-sized cities studied by ReCiMe and medium-sized cities analyzed in this project (highlighted)

Such empirical evidence is becoming more and more systematized in different cities and allow for the start of a deeper study of these processes. One such example, though in a very significant way are the Census from 2000 and 2010 from the IBGE, which present some challenging results for the analysis in relation to the income yield in urban households;

though we have only been using here the three ranges among those regarding the income of those responsible for the household and, in particular, ones who declare themselves as “without income”, those with income ranging from up to two minimum salaries and those with incomes reaching over 20 minimum salaries (Table 2).

It is possible to basically surmise two large movements from the data set: on the one hand there is a systematic increase taking place (except for the city of Mossoró), something also noticeable in the aggregate data from Brazil as a whole, from the percentual heads of households without income (in some cases remarkable, such as in Marabá and in São José do Rio Preto), as well as growth, in a very substantial manner from the percentual heads with incomes as high as 2 minimum salaries. On the other hand, the decreases observed were also significant with those heads who declared incomes above 20 minimum salaries.

The real increase of minimum wages during the period, which was over 50%, according to the Department of Statistics and Socioeconomical Studies – DIEESE (2013) is a strong explanatory element, whether to improve understanding by approximation, the decrease in weight related to the superior layers of family income, as well as the importance of the expansion of heads of households with incomes of up to two minimum salaries. Nevertheless, even harder is to find a proper interpretation for the relative expansion from those without income, would require explanations that miss the scope of this article.

**Table 2** - Selected cities: head of household incomes (2000/2010) in % of total heads of households

City/State	Heads without income		Heads up to 2 MS		Heads above 20 MS	
	2000	2010	2000	2010	2000	2010
Campina Grande/PB	9,53	9,67	52,17	66,00	2,57	0,76
Dourados/MS	7,82	8,64	41,47	54,00	3,20	1,08
Londrina/PR	5,81	9,55	27,06	44,98	5,77	1,40
Marabá/PA	10,72	18,05	46,73	56,05	1,96	0,46
Marília/SP	5,34	9,73	25,31	49,52	4,92	0,90
Mossoró/RN	12,16	10,52	53,12	63,17	1,76	0,60
Passo Fundo/RS	5,59	8,52	13,46	49,42	4,26	1,17
São José do Rio Preto/SP	5,24	10,06	19,79	40,00	6,17	1,36
Uberlândia/MG	6,46	7,52	31,43	50,69	4,33	1,14

**Source:** Census IBGE, 2000 and 2010. Org. from the autor.

However, if for such aggregate data there is still need for more precise explanations when for each city presented they are disaggregated for the different census sectors that compose them, i.e., if the location in the countryside in each city of the heads of households is sought through their different income statements under analysis, the results which are presented suggest an emergency of yet more complex processes.

Table III seeks to provide clues for such problematization, having been produced in such fashion as to display, for each city, the minimum and maximum percentage of heads of households which may be found in the census sectors in the years of 2000 and 2010. These census sectors are constituted in the smallest unit of collection, organization and disclosure of census data in Brazil and are, by definition, made up by the presence of between 250 and 300 permanent private households (IBGE, 2000 and 2010).

Only the city of Marília is used here (fifth city presented in Table III) as an example which may be generalized for other cities. On one hand it may be observed that whether in the year 2000 or 2010 there is an absolute 0% presence of heads without income in some of the census sectors. However, when it comes to the maximum percentage, in other words, those sectors in which the presence of heads of households without income is more prevalent, the percentage that in the year of 2000 is 2.33% drops to 1.80% in the year of 2010.

On the opposite side of Table 3 the movement is reversed. While the minimum percentage remains the same during the period, in regards to the maximum percentages one may witness a slight growth. In other words, the sector(s) where the largest percentages of heads of households with incomes over 20 minimum salaries leaps from 4.10% to 9.31%.

Even when considering the incorporation of figures from census sectors necessary for each income class between the years of 2000 and 2010 and, fundamental information, the relative location to the city group of the city in each of these sectors, the data becomes eloquent in that it displays (with due exceptions) that during the inter-census period a spatial dispersion from the heads without income and with incomes up to two minimum salaries seems to take place, as well as strong spatial concentration processes on behalf of heads with incomes greater than 20 minimum salaries.

**Table 3** - Selected cities: minimum and maximum percentage of heads of households by surveyed sectors (2000/2010) in % of total heads of households

City/ State	Without Income				Up to 2 MS				Over 20 MS			
	2000		2010		2000		2010		2000		2010	
	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max
Campina Grande/PB	0,00	1,70	0,00	1,08	0,01	0,99	0,00	0,71	0,00	5,33	0,00	5,63
Dourados/MS	0,00	3,02	0,00	2,66	0,04	2,32	0,01	0,94	0,00	7,76	0,00	4,92
Londrina/PR	0,00	1,95	0,00	1,08	0,00	1,14	0,00	0,59	0,00	3,38	0,00	3,79
Marabá/PA	0,00	2,49	0,00	1,45	0,01	1,67	0,01	1,20	0,00	10,30	0,00	6,61
Marília/SP	0,00	2,33	0,00	1,80	0,00	1,66	0,00	0,98	0,00	4,10	0,00	9,31
Mossoró/RN	0,02	2,34	0,03	1,96	0,04	1,39	0,07	0,93	0,00	9,56	0,00	11,33
Passo Fundo/RS	0,00	2,79	0,00	2,46	0,02	2,13	0,00	1,39	0,00	4,20	0,00	7,10
São José do Rio Preto/SP	0,00	1,78	0,00	1,05	0,00	0,74	0,00	0,56	0,00	2,89	0,00	5,13
Uberlândia/MG	0,00	0,82	0,00	1,03	0,01	0,45	0,00	0,66	0,00	2,14	0,00	6,73

**Source:** Census IBGE (2000, 2010). Org. from the author

The necessary unfolding and further development of this conclusion, which may also be taken as a strong hypothesis over the widening of socio-spatial inequalities in the studied cities, strong support is found in part of the intense debate presented by recent literature on the consolidation of a powerful internal consumer market. The so-called “new developmentalism”, which, for some is represented by the emergence of a new middle class, and for others, whom of which there is stronger accordance in this paper, would mean the expansion of the consumption of the working class in general terms, and may synthetically be referenced in Neri (2009) and Pochmann (2012).

Even more importantly, is the advance required for the interpretation of such processes from the space production point of view, and here, once more, it is possible to recall and remember some questions already raised in this study regarding the synergies

between real estate restructuring which places the action capacity in which they reproduce (and expand) themselves in the studied cities, in the production and consumption of city plans and housing consumption on a new level.

### **IN SEARCH OF SCALAR ARTICULATIONS AND SYNERGIES**

Producing knowledge on the relation between real estate dynamics and the production of urban space in medium-sized cities from the differentiated Brazilian urban network demands a certain effort in the interpretation of the specificities of Brazilian urbanization dynamics which grow more extensive, complex and diverse with time. It also requires clarity, not only in understanding non-metropolitan realities, which are still understudied, but also in articulating/evaluating and properly understanding the courses that the transformations in real estate production have been taking in more recent periods which signal to structural changes in ways of producing, consuming, and self-appropriation of the city.

The aforementioned urban diversity requires an insight which seeks to seize the formation singularities and structuring of each city, keeping in mind the broader processes produced by and in other geographical scales that find their peculiar features there. Even further, it requires a greater understanding over such processes in non-metropolitan realities. A first decision for such an undertaking would be to consider, as the focus of the analysis, the socio-spatial inequalities revealed by the selective vectors of territorial expansion, the changes in residential locations in social groups, the different real estate products that selectively segment the land market and, more recently, the gradual constitution of new intra-urban centralities as well as the extension of socio-spatial inequalities.

Those are, therefore, of a methodological nature, whose aim is to update not only the empirical point of view, but also, in its theoretical interfaces, to apprise on the permanence of social and spatial inequalities in Brazil, thus constituting a crucial analytical key for understanding cities as well as Brazilian urbanization processes.

Notwithstanding, one may not advance with this analysis unless from an understanding of the transformations real estate market works under, the organization of business agents, the present profit parameters required and the acting financial strategies of the capitals under which they function, as well as the mentioned real estate reappreciation of Brazilian families.

The search for the set of investigations which have been carried out is based on the understanding of strong articulations between the permanence of old manners of producing cities in Brazil and the fast transformations imposed by new economic conditions. This, in a nutshell, is the set of issues that this study presents for debate from the synthesis of what has been observed in different empirical realities, in order to find out medium-sized cities located in different Brazilian regions under an articulated fashion, resulting from the transformations observed on a national scale. If on the one hand a positive movement of land and real estate price variation is detected, which conditions and results in profound transformations of wealth represented by property (with various connections over

consumption and investment from a macroeconomic point of view), on the other, in each city reorganization assets from different segments of income in space are connected.

Even more than seeking conclusions at this time, the main goal is only and exclusively to present some already obtained results for debate, whilst keeping the continuity of those investigations in mind, in ever so more articulate ways in the heart of ReCiMe.

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