

A TERRITORIAL APPROACH TO THE FINANCIALIZATION OF BRAZILIAN LOGISTICS REAL ESTATE

UMA ABORDAGEM TERRITORIAL DA FINANCEIRIZAÇÃO DO IMOBILIÁRIO LOGÍSTICO BRASILEIRO

UN ENFOQUE TERRITORIAL DE LA FINANCIARIZACIÓN DEL MERCADO INMOBILIARIO LOGÍSTICO BRASILEÑO

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// RESUMO

This article proposes an analysis of the financialization of the logistics real estate market from a territorial perspective on financial actors and dynamics. The methodology was based on documentary analysis, interviews, and the collection of secondary data from public sources and market reports, in order to understand the concentration of logistics real estate developments in specific spaces, particularly in Extrema, Brazil, one of the emblematic cases of this phenomenon. The consolidation of Extrema as a logistics hub results from the growing interest of financial investors and the role of municipal authorities. The financialization of the logistics real estate market reveals how financial rationality permeates the production and organization of space and can generate both spatial and economic dynamics.

Keywords: financialization; real estate investment funds; logistics; territory; territorial economy

// ABSTRACT

Este artigo propõe uma análise da financeirização do mercado imobiliário logístico a partir da abordagem territorial das dinâmicas e dos atores financeiros. A metodologia se fundamentou em análise documental, em entrevistas e na coleta de dados secundários junto às fontes públicas e relatórios do mercado, para compreender a concentração de empreendimentos imobiliários logísticos em espaços específicos, em particular em Extrema (MG), um dos casos emblemáticos dessa situação. A consolidação de Extrema como um polo logístico surge do aumento do interesse de investidores financeiros e da atuação do poder municipal. A financeirização do mercado imobiliário logístico revela como a racionalidade financeira se infiltra na produção e na organização do espaço e é capaz de criar dinâmicas espaciais e econômicas.

Palavras-chave: financeirização; fundos imobiliários; logística; território; economia territorial

// RESUMEN

Este estudio propone un análisis de la financiarización del mercado inmobiliario logístico a partir de un enfoque territorial de las dinámicas y de los actores financieros. El enfoque territorial considera tanto el papel de los agentes económicos como el de las relaciones institucionalizadas. La metodología se basó en el análisis documental, entrevistas y la recopilación de datos secundarios de fuentes públicas e informes del mercado. La concentración de emprendimientos en manos de inversores revela una nueva dinámica en la producción del espacio, siendo Extrema (MG) uno de los casos emblemáticos de esta situación. La definición de Extrema como polo logístico surge del creciente interés de los inversores financieros y de la actuación del poder municipal. La financiarización del mercado inmobiliario logístico muestra cómo la racionalidad financiera se infiltra en la producción y organización del espacio

Palabra Clave: financeirización; fondos inmobiliarios; logística; territorio; economía territorial

INTRODUÇÃO

Logistics spaces have undergone a process of financialization, at least in a *lato sensu*, as the broad phenomenon of the advance of financial logic over other spheres. If we consider financialization in the *stricto sensu*, financial logic would assume a central position and all political-economic operations would become subordinated to financial capital. Although investors and financial markets play a significant role, they are not yet dominant in the sector. Still, logistics spaces have become important sites for the anchoring of financial capital. This anchoring is a multifaceted process, as it involves multiscalar arrangements (Crevoisier, 2011) that relate to processes of territorialization, through which financial actors appropriate and organize space.

Starting from the idea that financialization has triggered strategic shifts and corporate reorganization, defining new business models that focus on key sectors and processes, it is understood that financial rationality guides from abstract processes of valuation and negotiation to concrete forms of production and control of assets (Pike; Pollard, 2010). The capital market and the intermediaries operating within it have become relatively more powerful and increasingly capable of shaping socio-spatial relations. Financialization—that is, the process by which financial actors and their practices, logics, rationalities, and narratives typical of the financial market become dominant in the construction and transformation of spaces (Aalbers, 2019)—also produces territorial structures. It is within the territory that corporate practices manifest as spatial organization, and territorial strategies seek, in one way or another, to adjust sectoral organization to spatial organization.

"Not all spaces and actors manage to make close connections with the financial markets. Indeed, contemporary financial investment networks operate on a preferential, selective and hierarchical basis. They include and exclude certain actors, industries and locations" (Corpataux; Crevoisier; Theurillat, 2017, p. 76). We thus explore the idea that financial capital tends to become territorialized, taking advantage of spatial relations. The distribution of investments is

determined by greater predictability of returns and by the capacity to influence operations in specific areas; therefore, funds tend to concentrate their assets where they can maximize their influence and ensure greater liquidity—which generally occurs in metropolitan areas.

In this article, however, we argue that financial capital can take on different forms of territorialization beyond the metropolis, which is often treated as the main locus of the globalized financial economy (Sanfelici, 2016; 2019) and the primary focus of most studies on the subject. This reflects the expansion of spaces of capital circulation, to the point that virtually all spaces are now embedded in financial dynamics, ranging from spaces of extraction to spaces of accumulation (Mezzadra; Neilson, 2019). Spaces of extraction refer to territories where financial capital extracts value in an exploratory way, while spaces of accumulation are those where capital becomes more firmly established, aiming to generate and expand wealth over time. From this perspective, we suggest that some logistics hubs can also be understood as territories of finance.

Understanding territorial dynamics requires examining how the interactions of territorialized actors are structured, since it is precisely through these interactions that territory is produced. Territory serves not only as the substrate for actors' spatialized behavior—the material expression of their actions in space—but also as the medium through which their relationships are enacted. The territorial approach aims to understand the mutual effects between territories and economic dynamics from a concrete, grounded perspective, thereby contributing to the development of a coherent theoretical framework (Crevoisier, 2011). While the urban studies literature has extensively examined the expansion of financialization in real estate markets, insights from a territorial perspective remain comparatively underdeveloped.

This article aims to address this gap. There is evidence that the entry of financial investors in logistics hubs, seeking to extract real estate rents, has provoked changes in the production and management of logistics facilities (Raimbault, 2022; Magnani et al., 2024). We argue that funds have begun to adopt more active territorial strategies, such as developing logistics assets in locations with high logistical potential, rather than focusing on single, highly valued assets. From this perspective, we aim to understand how the entry of financial investors transforms

territorial dynamics, in particular how these actors rely on them to achieve their objectives. In this way, we show how logistics assets maintain a close relationship with logistics hubs and depend on their integration into these spaces. Just as certain real estate segments—such as shopping centers and office buildings—are essentially metropolitan, we start from the understanding that all real estate assets are anchored in a specific territorial configuration.

To understand the territorial dynamics of the logistics segment, we discuss cases from Brazil. We drew on information collected from fieldwork and 12 semi-structured interviews conducted between 2022 and 2025 with REITs managers, municipal secretaries and administrators, and developers and promoters of the real estate market. The questions addressed locational choices and decisions, as well as the relationships established with other actors involved. This information was supplemented with secondary data from real estate market reports, consultancy studies, specialized news outlets, and documents from the Municipal Government of Extrema.

This article is structured into three sections, in addition to the introduction and conclusion. The first section addresses the operational and locational aspects of logistics activity, characterizing properties and the formation of logistics zones. The second section examines the expansion of financial actors into logistics properties, a process we identify as *assetization*—the transformation of things into financial assets (Langley, 2020)—and its underlying mechanisms. The third section analyzes these dynamics from a territorial perspective, taking the case of Extrema as an example.

LOGISTICS SPACES: FROM THE WAREHOUSE TO THE LOGISTICS HUB

Logistics spaces range from their simplest form, the logistics warehouse, to the more complex configuration, the logistics hub, which can be defined by the concentration of logistics parks and warehouse complexes. In this paper, we focus on the logistics hub as the object of geographical analysis, as it exhibits both a relative spatial logic—based on flows—and an absolute spatial logic—based on fixed locations. It is, however, necessary to understand the purpose and production of this form. Logistics has evolved alongside transportation and

communication technologies: the pursuit of efficiency has given rise to mechanisms for coordinating and optimizing cargo flows across time and space (Hesse; Rodrigue, 2004; Mezzadra; Neilson, 2019).

Although space is used throughout the entire logistics process, as goods are stored and moved across it, the specific use of space is most evident in storage. In this regard, one of the main constructions, in addition to transport infrastructures, that characterizes logistics activity is the warehouse. In the current context, warehouses are most frequently organized as logistics parks (Higgins; Ferguson; Kanaroglou, 2012; Benvegnù; Gaborieau, 2017; Raimbault, 2021).

These logistics parks are generally composed of modular warehouses, adaptable according to the operational needs of their occupants. They present an advantage by allowing occupants to focus on their core activities, thereby reducing operational costs, while maintenance, cleaning, and security services are managed by the park administrator. In this way, logistics parks constitute a real estate product that adapts to productive needs without departing from the underlying intention of extracting value from urban land (Lencioni, 2011).

The location of these facilities is influenced by centripetal (attractive) and centrifugal (repulsive) forces. As a result, such facilities are primarily concentrated around large consumer markets, industrial complexes, port areas, and cargo terminals, due to the availability of large plots of land and access to efficient transportation routes. The spatial organization of logistics hubs generates agglomeration economies, which lead to cost reductions and the sharing of specialized services. The formation of logistics hubs is, therefore, a result of the pursuit of efficiency and the reduction of operational costs. In this way, certain advantages stemming from proximity contribute to the formation of a hub, both from an operational and a geographical perspective (Table 1).

Table 1. Geographical and operational advantages of logistics hubs

Advantages	Category	Definition
Geographical	Accessibility	Proximity to terminals, suppliers, and clients; distribution costs; uninterrupted access and traffic
	Land	Availability and zoning; low acquisition or rental costs; differentiated taxation
	Infrastructure	Roads and transport routes; provision of basic services
Operational	Bureaucracy	Speed in obtaining construction permits and property legalization; simplified regulation
	Agglomeration economies	Economies of scale in distribution; consolidation and full utilization of cargo capacity
	Other factors	Anchor firms; visibility; externalities

Source: Rodrigue (2024) Available at: <https://doi.org/10.4324/9781003343196>

Due to the tendency to cluster, certain locations become strategic, particularly where the spatial organization tends to favor corporate practices. Spatial organization, therefore, should be analyzed in terms of the effectiveness of surrounding elements (Harvey, 2013), which justifies the formation of logistics hubs. However, it is also necessary to consider that normative content constitutes an object of space (Contel, 2014), and that the projects of local actors influence the process of space production (Theurillat; Vera-Büchel; Crevoisier, 2016). It is no coincidence that Brazilian municipalities where warehouses and logistics parks have been widely implemented promote subsidy policies and fiscal incentives at the state or municipal level (Oliveira, 2015).

Raimbault (2022), in analyzing the logistics real estate sector of the Paris metropolitan region, concludes that the sector “profoundly restructures urban governance through the privatisation of economic and land development policies” (p. 1496). These policies are accompanied by regulatory and fiscal adjustments, such as special zoning, differentiated taxation, and flexible regulations, which serve specific interests and favor the development of logistics hubs. Therefore, logistics development finds particularly fertile ground in peripheral or

suburban areas, because, in addition to the cost and availability of space for large facilities, this is where land-use regulation tends to be more flexible.

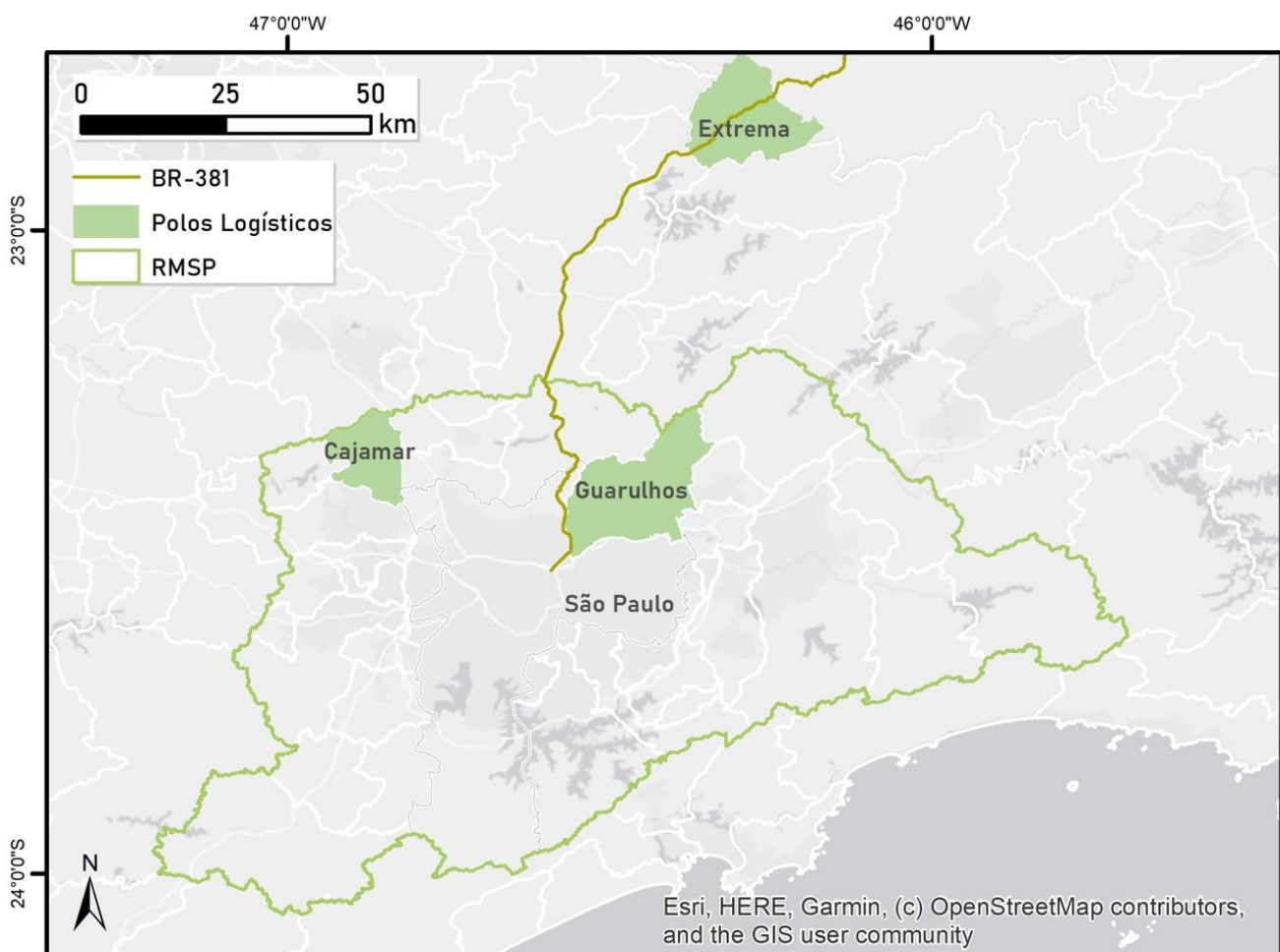
The real estate development of warehouses and logistics parks employs two strategies: a responsive one and a speculative one. The first takes place through the operation known as built-to-suit, custom-built warehouses commissioned to meet the specific needs of tenants. Built under long-term lease agreements (generally ten years), they offer stability and security for both the tenant and the developer. In this model, firms with large operational and commercial volumes can actively participate in the development of their distribution centers from the stage of site selection. Another type of development is more speculative in nature—a construction without a predefined tenant. These are often large-scale facilities whose aim is to attract multiple tenants through short-term lease contracts (around three years). Despite the risk, such speculative developments allow both the anticipation of and response to immediate market demand, enabling the capture of cyclical opportunities. During periods of high demand, both speculative and built-to-suit developments become buoyant, expanding business opportunities.

The most highly valued properties are those that meet very specific requirements, because logistics operators standardize their operations and adopt similar parameters in their warehouses. In addition, changes in construction standards and in the technologies used in logistics operations create the need for constant adaptations and renovations of facilities to address operational limitations. The production of logistics parks thus presents itself not only as a major real estate business but also as an important niche for the reproduction of capital (Lencioni, 2011). While the expansion of logistics real estate undoubtedly occurs, first and foremost, to meet a market demand for spaces oriented toward distribution and consumption, it has also been part of a strategy of appropriation, production, and control of space aimed at extracting ground rent from it. This is essential to understanding the expansion and consolidation of Brazilian logistics hubs.

Three main Brazilian logistics hubs—Cajamar, Extrema, and Guarulhos—are under the influence of the São Paulo Metropolitan Region (Figure 1), with the most emblematic case, and our spatial focus, being the municipality of Extrema, located in the state of Minas Gerais. This

hub differs from Guarulhos in that it is emerging, like Cajamar, but is not within the boundaries of the metropolitan region. The formation and maturation of the hub of Extrema, in the state of Minas Gerais, and Cajamar, in the state of São Paulo, were accelerated due to their high profitability. These spaces, at first glance, were driven by the arrival of e-commerce retailers, because most of Brazil's logistics stock was considered obsolete and did not meet the requirements of international e-commerce retailers; therefore, new spaces had to be built.

Figure 1. Logistics hubs under the influence of the São Paulo Metropolitan Region



Source: Author's elaboration, 2025.

As the production of logistics hubs creates a reinforcing dynamic, proven locations become points of interest because they possess a certain validity in relation to the market itself, whereas regions where the market is less predictable and less traceable tend to discourage investment. Logistics hubs should thus be analyzed through the logic of locational factors pertaining to

industry and the distribution of goods, combined with the logic of real estate dynamics. Therefore, spatial selectivity is fundamental to understanding territorial organization, making it important to grasp how these regions gain relevance and consolidate themselves as logistics hubs, as well as financial hubs. Based on an analysis of the Extrema market, we show that, by operationalizing the attraction factors of a logistics hub, financial actors have been able to territorialize themselves in these spaces—but first, it is necessary to understand the process through which financial actors shape the market.

Our hypothesis is that the influence of financial actors reshapes the structure of logistics hubs. To examine this, we must first understand what constitutes a financialized logistics hub. However, understanding the process of financialization presupposes an understanding of assetization, which is fundamental to grasp how financial actors operate and how they approach their investments. The anchoring of financial capital occurs through assetization, while financialization depends on the generalization of this process. In other words, the imposition of financial logic on the organization and use of space—as in logistics hubs—requires the conversion of real estate segments into financial assets, as well as the diffusion of this rationality across the financial industry as a whole. Understanding the production of logistics zones through the logic of real estate assets, therefore, means understanding the use of space from the perspective of financial investors and economic groups.

FROM ASSETIZATION TO FINANCIALIZATION: ASSETS AND FINANCIALIZED HUBS

Directed by speculation and expected returns, financial flows become increasingly intense as new markets are integrated into financial logic through technological advances and deregulation, which have enabled investment in and extraction of rent from “everything, everywhere” (Leyshon; Thrift, 2007). One must consider the full set of legal and institutional arrangements that enable the creation of financial vehicles, but also a more practical issue, namely the process of abstraction that transforms non-financial goods into financial assets. This includes the combination of quantitative metrics and calculations that allow diverse aspects to

be rendered as quantifiable parameters (Chiapello, 2024). In this process, financial logic transforms tangible elements, such as real estate, into assets through a deliberate process of assetization, that is, “the contingent processes which turn all manner of things into assets” (Langley, 2020, p. 1). Assetization enables financialization by converting property into streams of income, allowing institutional investors—such as pension funds, asset managers, investment funds, and other financial intermediaries—to become central agents in the production and reproduction of space (Birch; Ward, 2024).

Specializing in continuously transforming things into assets, asset managers have established themselves as strategic entities in the management and allocation of financial capital (Braun, 2021), particularly because they play a highly active, strategic, and rational role in selecting, financing, and managing these products and circulating them in asset form (Tapp; Weber, 2022). Yet asset management practices “induce qualitative changes in the way real estate businesses are conducted, primarily as a result of the presence of the financial investor” (Sanfelici, 2013, p. 36). This change not only alters how real estate businesses are conducted, but also entails a reconfiguration of urban dynamics, directing investments toward specific areas and shaping space in accordance with financial interests.

Our object of study—the logistics segment of investment funds—has undergone a series of transformations in recent decades that justify this assertion. Part of these transformations has occurred to meet industry standards, as discussed earlier, but more recently the shift in asset managers’ rationality regarding their products has also affected the segment. Through sophisticated methodologies and techniques for calculating the value, potential, and risk of operations, the metrics used to assess financial performance and evaluate warehouses have come to be widely adopted and accepted as privileged real estate indicators. However, assetization goes beyond the revaluation of properties (Birch; Ward, 2024).

This evaluation process, through which qualitative dimensions are converted into metrics, is the first step toward assetization and securitization, which transform use values and exchange values into financial securities. The assetization of a property requires a process of abstraction through which its qualitative dimensions can be expressed in metrics. Accounting techniques

and financial engineering reduce aspects such as location, construction materials, zoning regulations, and fiscal regimes to numbers and parameters intelligible to financial markets (Tapp; Weber, 2022). Using advanced financial engineering methods, qualitative information about real estate assets—indivisible and with low liquidity—is translated into quantitative information, quoted as tradable financial securities.

Clear and standardized numbers about assets that can be easily compared and used as benchmarks are an imperative for the functioning of financial markets as a whole (Van Loon; Aalbers, 2017). The development of financial products leads to the creation of new instruments for valuation and risk analysis, aimed at optimizing investment strategies. The assetization of a property does not remove its intrinsic characteristics but rather assigns it incidental ones. Its utility remains, and even as other attributes are introduced, its characteristics as a logistics property—location, accessibility, etc.—remain decisive for operational purposes, and financial investors also take them into account.

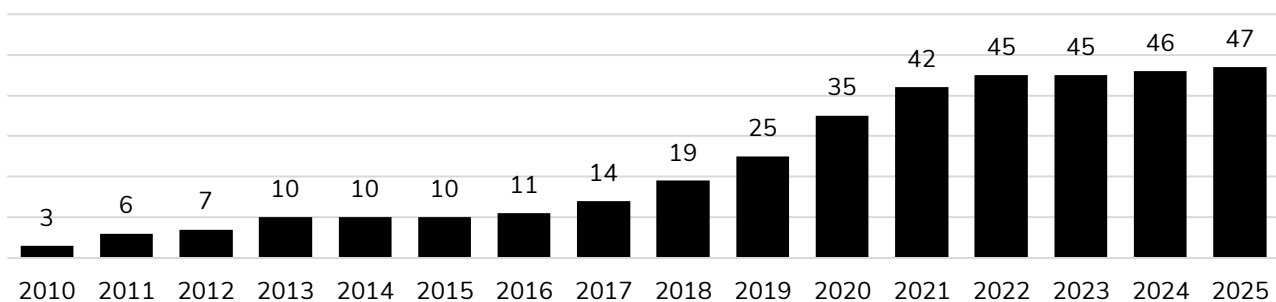
Understanding this entire dynamic also entails understanding business models, investment patterns, the definition of the characteristics of logistics properties, and practices in the logistics real estate market. Thus, we seek to capture “the process by which financial actors, markets, practices, measurements, and narratives are increasingly becoming dominant” (Aalbers, 2019, p. 377). The dissemination of financial rationality is significant because it points in two directions: the attraction—and, more than that, the persuasion—of investors; and the orientation and the shaping of the market. This, of course, has spatial implications.

Mezzadra and Neilson (2017) argue that the operations of financialized capitalism rely less on speculation and more on appropriation and expropriation, which they term extraction. This extraction derives precisely from assets that, although circulating within the financial sphere, are grounded in relations of other, non-financial natures. Part of our effort is devoted to understanding the rationality of financial actors and how it permeates the economy as a whole, through the diffusion of this rationality among a plurality of actors—whether because they regularly operate with financial actors or engage with them only occasionally (Shimbo; Sanfelici; Martinez-Gonzalez, 2021).

The advance of financial actors into logistics real estate has been the object of academic interest (Yassu, 2022; Magnani; Sanfelici, 2021). Investigating the role of these actors in the market makes it possible to understand how “financial instruments backed by different real estate products innovate, both in terms of financial engineering and in terms of their articulations with urban production” (Magnani; Sanfelici, 2021, p. 174), but, above all, to expand knowledge about changes in both investment strategies and territorial structuring (Theurillat; Rérat; Crevoisier, 2015).

Like other segments, logistics facilities have become targets of financial investors seeking to extract, in the form of real estate rents, part of the profits generated by their core activities. This is evidenced by the emergence of logistics real estate investment funds (REITs/FIIs) in Brazil, as well as worldwide. FIIs have been crucial to the financialization of the real estate market due to the volume of resources they mobilize and their investment capacity. This has been particularly important in the logistics sector, which involves large-scale developments. From 2015 to 2025, the number of logistics real estate investment funds has nearly quintupled, now totaling 47 funds (Graph 1); one quarter of them are less than five years old. The number of logistics FIIs is an indicator of the consolidation of this new financial product and instrument.

Graph 1. Number of logistics real estate investment funds registered (2010–2025)



Source: Comissão de Valores Mobiliários (CVM).

The coronavirus pandemic was one of the key moments for the expansion of Brazilian logistics real estate and logistics investment funds. Brazil’s logistics stock grew by 18% between the first quarter of 2020 and the fourth quarter of 2021 (Colliers, 2023). With the buying and selling prices of logistics assets appreciating, driven by the growth of e-commerce and retail,

warehouse development became a viable entry strategy for institutional investors, generally in the form of REITs/FIIs. These changes not only impacted investment strategies but also the management of logistics FIIs, reflecting a restructuring of the logistics real estate market (Magnani et al., 2024).

Given their investment capacity, logistics FIIs quickly became the main investment vehicles in the Brazilian logistics market (Magnani; Sanfelici, 2021), and the number of such funds, which stood at 25 in Brazil at the end of 2019, reached 42 by the end of 2021. These funds began to incorporate more active strategies, including the development of logistics assets, more dynamic portfolio management, and the selection of locations with high potential, rather than focusing on single highly valued assets. Brazilian logistics real estate has undergone transformations in recent years that reflect this shift.

As soon as the number of logistics FIIs grew in Brazil, discussions about the financialization of Brazilian logistics real estate began to emerge. This is because the formation of a market oriented toward specialized logistics properties became evident, with operations focused on serving major retailers under the leadership of the main real estate funds. In the logistics segment, the active and strategic role of managers is evident, as they select, finance, and manage land and facilities (Tapp; Weber, 2022; Magnani et al., 2024), given that financial actors have positioned themselves in the global logistics real estate market as decision-makers in location choices and property negotiations (Raimbault, 2022).

The advance of financial actors into this sector further promotes the formation of logistics hubs. This is because the movement of investments directly contributes to strengthening specific locations, which begin to attract an increasing share of financial capital, reinforcing their centrality in production and distribution networks. Thus, logistics hubs become financial hubs, as is the case of Extrema and Cajamar, the latter having earned the nickname “Faria Lima of warehouses,” in reference to Brazil’s main financial center, Avenida Brigadeiro Faria Lima, in the city of São Paulo.

Figure 2. Cajamar in 2008 and 2024



Source: Author's elaboration with images from Google Earth, 2025.

In both Extrema and Cajamar, it is noteworthy how logistics activity has accelerated the urbanization process (Figures 2 and 3). Returning to land issues, in Cajamar it is important to highlight that a large portion of the warehouses were built on plots that once belonged to a single family and were acquired through a multiscalar arrangement between local landowners and intermediaries who channeled knowledge of the local market to foreign developers (Yassu, 2021). In Extrema, the process of land-use transformation was driven by municipal authorities, which streamlined operating licenses and sought to minimize negative environmental impacts (Silva, 2021). Intermediation took place between local real estate developers and external actors from the real estate and financial markets.

Figure 3. Extrema in 2014 and 2024

Source: Author's elaboration with images from Google Earth

The logistics hub of Extrema was largely promoted by investments from FII's, which hold 64% of the total gross area of the local logistics park. Extrema's share of Brazil's logistics stock, which stood at 1.47% in 2019, reached 4.86% by the end of 2023. The entry of financial actors significantly altered the structure of the local real estate market. This is due to the specific pace at which these agents operate, their intentionalities, valuation expectations, and the selective criteria that guide capital allocation. These dynamics directly interfere with the shaping of urban space, privileging certain territories over others. To understand how certain places become—or come to be recognized as—financial hubs, it is essential to analyze their territorial dynamics, including the economic and political processes that shape these choices, as we propose in this investigation.

A TERRITORIAL APPROACH TO FINANCIALIZED LOGISTICS HUBS

Charters-Gabaneck, Raimbault, and Hall (2024), in a recent article, propose—considering the social and environmental impacts of logistics expansion—an approach that can support the actions of urban planners. Given that a high degree of local and regional coordination is required in the implementation of logistics area projects, a political-economic approach would explore the capacity of certain actors to influence the production of the built environment based on their economic intentionality.

The territorial approach to financialization avoids endorsing the idea that the economic actions of actors take place outside of space or, more critically, without real implications. This is because the concern of territorial actors is to organize space according to the uses intended for it (Benko, 1996; Storper, 1995). If territories are established through localized social interactions, the relations that are established create the possibilities for action within territories, and it is precisely from these relations that opportunities and actions may emerge. This can be—and is—exploited by both political and economic actors in the implementation of projects. Therefore, territory, historically and socially constructed, serves as a support for the relations and actions that unfold within it, particularly those of an economic nature.

A territory is not absolute, and transformations are always occurring; endogenous and exogenous dynamics coexist and interact, and they must be taken into account. Economic dynamics are increasingly characterized by their multiscalar nature. So too are territories, which are formed through interactions among actors with different scopes. This is important to emphasize because the actions of investment managers foster a distant relationship (geographical, social, technological, etc.) between shareholders and assets (Corpataux; Crevoisier; Theurillat, 2017), but not between managers and assets.

First, it is necessary to understand that spatial selectivity is not merely a matter of where (in terms of costs or proximity to markets), but of how and why certain actors have the capacity to modify territory according to their objectives. Second, it is worth recalling that financial actors have become specialists in extracting ground rent and reconfiguring the urban environment (Sanfelici, 2013) and, in our analysis, in altering territorial dynamics.

However, when discussing the financialization of logistics hubs, it is necessary to assess the extent to which these dynamics are generalized, since the assetization of an asset alone does not constitute financialization. We understand the financialization of these spaces as the increasing influence of financial agents within these territories. This goes beyond the built environment, as other factors are also important for the economic dynamics of a territory. The case of Extrema, in the state of Minas Gerais, can illustrate how financial actors territorialize themselves and, in doing so, advance their projects.

Due to the way they must be managed, logistics assets lead managers and tenants to “maintain a close relationship during the entire lifecycle, not of the building, but of the investment itself” (Magnani et al., 2024, p. 251). While managers and tenants must act in an integrated manner to maintain asset performance, operators set market standards, and funds require active management to meet their needs. There are other fundamental requirements to ensure the viability and competitiveness of logistics developments, some of which fall under the responsibility of public administration. Public administration, in turn, plays an essential role in providing the infrastructure and regulatory frameworks that enable the functioning and expansion of these developments.

In the selection of locations for logistics investments, in the words of one interviewee, “there are political forces, some help and others hinder” (Interviewee 2). Local political actors participate in order to meet investors’ expectations and ensure business viability. This directs investments, even in situations where a new location with growth potential is being evaluated, as actors consider it “risky to suddenly purchase land and not be able to obtain approval, not be able to make it viable, not be able to carry out environmental compensation” (Interviewee 1). By offering certain advantages and guarantees, the local government acts as a risk manager (Ward et al., 2024) and becomes complicit in financial interests. What we argue is that Extrema offers a combination of risk and return that attracts financial investors. These risks are not quantifiable, yet, despite this, in the process of abstraction involved in assetization and securitization, and in market valuation, they are always embedded.

The risk-return relationship is fundamental in the decision-making of financial actors. Investors, in general, employ a combination of strategies to control and mitigate the risks of their investments. In the case of logistics real estate investments, one of the risk control mechanisms involves the establishment of partnerships. This allows them to deal both with political and regulatory uncertainties, through alliances with local government, and with uncertainties associated with operating in a market in which they lack expertise. Moreover, as these partnerships are based on track records and relationships of trust, they render the business environment more controlled.

In this context, partnerships such as that formed between Vinci and Fulwood—respectively an asset manager and a logistics warehouse developer—exemplify this new phase in the logistics sector. Vinci holds stakes in approximately two-fifths of the assets of REITs located in Extrema. Fulwood, in turn, has already developed more than 200 thousand square meters in the municipality, over 10% of the local logistics stock. While Vinci provides capital and employs sophisticated financial instruments, Fulwood contributes its territorial expertise, given its deep knowledge of the market and privileged access to strategic land, such as that located in Extrema, including land concessions granted by the municipality. This type of alliance reveals a new pattern in which capital managers cease to be merely financiers and begin to act as strategic agents alongside local developers, reinforcing the embeddedness of financial capital in territories. Furthermore, localized ties result in the embedding of capital and in the strengthening of business structures over time.

A high degree of coordination is required in the execution of logistics area projects, ranging from urban zoning to authorization to operate. The Extrema market had previously been considered high-risk, dependent on tax incentives promoted by the state of Minas Gerais, but municipal actions have altered the perception of the region. Added to this is the fact that the developed properties have attracted major retailers, such as Mercado Livre, which has confirmed the location as advantageous for the business. “Extrema has created a herd effect. Everyone wants to invest there (...) both developers and financial investors” (Interviewee 1).

Although they enjoy relative freedom, the mobility of capital is still constrained by scalar, institutional, sectoral and, ultimately, territorial arrangements. As nothing is more selective than a financial investment seeking maximum profitability (Chesnais, 1996), asset managers take advantage of territorial dynamics, and investments tend to circulate (and become fixed) in specific sectors and spaces that present favorable conditions, even if only temporarily. The distribution of investments is determined by greater predictability of returns and by the capacity to influence operations in certain areas. Thus, funds tend to concentrate their assets where they can maximize their influence.

There are two essential reasons, therefore, to understand the case of Extrema. Beyond tax advantages, the municipality offers procedural celerity for the construction of properties intended for logistics activities. All interviewees argue that deregulation was decisive for investing in Extrema, at a time when demand for logistics facilities was high. However, the main differential is that the location has been validated and recognized by investors: the logistics hub has become a pole of attraction for both operators and investors.

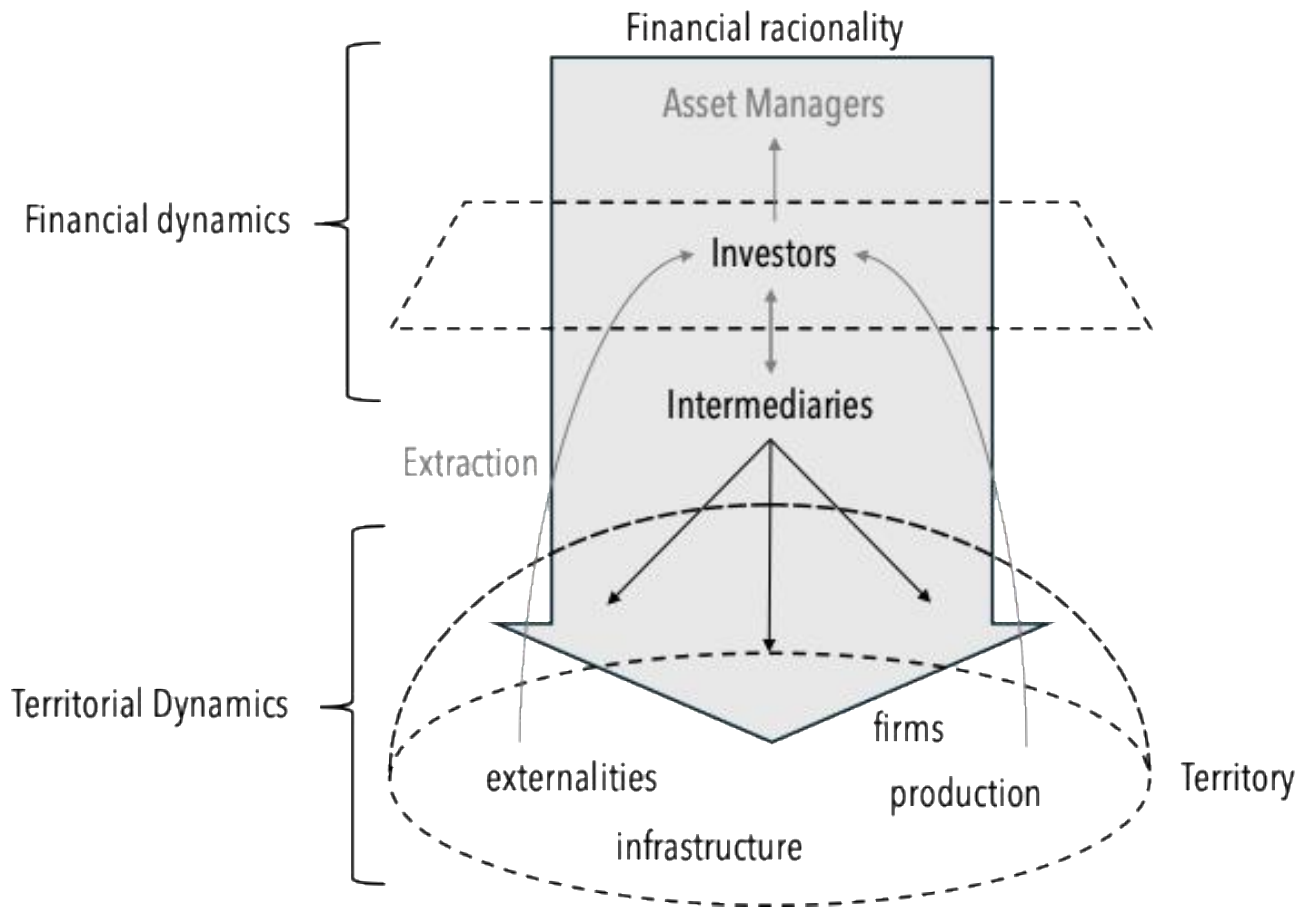
Real estate has a local dynamic: its location matters. This premise extends to any assets—office space, shopping centers, real estate—and is highlighted by all asset managers and warehouse administrators. In the case of logistics, this dynamic is even more pronounced. Proximity to highway corridors, urban centers, ports and airports can directly determine the operational efficiency of operators, making location a critical factor not only for asset valuation, but for the business itself. However, intangible factors also enter into the calculation of risks and business decisions undertaken by financial actors (Sanfelici, 2019).

This goes beyond the idea that real estate activity is “location, location, location”—a cliché of the real estate market—viewed from the perspective of absolute space, to encompass location also from the perspective of relational space. The proximity of Extrema (or Cajamar) to the São Paulo metropolitan region ensures that actors remain close to the influence of the metropolis—a territory of finance. What might at first be explained by proximity to the consumer market reveals deeper roots. Financial investors generally favor metropolitan cities, where they already possess in-depth knowledge of the market. In markets less familiar to them, this lack of

information leads investments to concentrate more on the segment than on location (Magnani; Shimbo, 2024). For example, when opting to invest in logistics, the choice of location becomes secondary and, for this reason, investors prefer already established regions to minimize risk-taking. Extrema has thus become a target for financial actors for this reason.

Financial rationality structures and guides the processes of the financialization of territories, as it operates as an organizing principle, shaping the actions of the various agents involved—especially investors and intermediaries—according to criteria of profitability, liquidity and capital appreciation. Investors, as holders of capital, seek to maximize returns and, to this end, establish relationships with intermediaries—such as investment funds, managers and operators—responsible for connecting financial capital to space, operationalizing projects and ensuring the generation of returns. This process results in the extraction of rents, the ultimate objective of financial actors. Financialization materializes in the transformation of spaces, through the formation of territories subordinated to external dynamics. In this way, territory is not merely a physical support but comes to be seen as a strategic asset within the logic of capital valorization and extraction (Figure 4).

Figure 4. Financial territorialization



Source: Author's elaboration, 2025.

A substantial investment is made in the construction of logistics real estate and, therefore, such an investment constitutes a risky undertaking. Government and urban administration play a facilitating and coordinating role but are nonetheless active agents. The ability of territorial actors to organize space more efficiently for a given type of production is what enables its maintenance (Benko; Pecqueur, 2001), thereby facilitating the anchoring of capital.

Territorial actors organize themselves in order to make conditions more favorable and predictable for their ventures. Developers rely on the support of municipal authorities—a coalition, as widely discussed in urban studies. In Extrema, the municipal government plays the role of intermediary in negotiations between stakeholders and landowners—some of which take place within the municipality's own premises.

The role of attracting these companies is shared between local authorities—especially the municipal government—and asset managers, who seek partners to establish high-impact, long-

term contracts that provide the institutional security necessary for the viability of developments. The municipality, on the one hand, offers a favorable legal, fiscal and regulatory environment, while managers have been tasked with articulating partnership networks with firms, investment funds, developers and other market agents. In this way, this institutional partnership provides both the stability and the predictability required for capital to settle, forming a territory and consolidating the role of Extrema as a financialized logistics hub. Extrema thus stands out as an emblematic locus of this dynamic of the financialization of a logistics hub, in which the attraction of firms results both from public strategies and from shared institutional arrangements, increasing the effectiveness of capital allocation.

CONCLUSIONS

This study aimed to reflect on the financialization of logistics hubs as a phenomenon that relates both to strategies of asset concentration and to the transformations in spatial dynamics that it engenders. Just as the financialization of the urban corresponds to the growing importance of the financial market, investors and intermediaries in the production of built space (Sanfelici, 2013), the financialization of logistics hubs reveals the rise of financial agents as protagonists in the organization of specific territories. As highlighted by Crevoisier (2014), it is no longer possible to understand territorial dynamics without considering the dominant presence of financial agents, who have been shaping both the production and the use of land across diverse contexts. Starting from assetization, we may assert that all the relations upon which this financialized economy is based are tangible and produce real, measurable and observable impacts (Birch; Ward, 2024). Our analysis shows that assetization is the starting point that allows us to understand how financialization materializes territorially. By converting real estate into financial assets, assetization creates the conditions for capital to become fixed, circulate and be valorized in space, transforming logistics hubs into financial hubs. It is necessary to understand the consequences that this type of dynamic produces in urbanization and in the production of space by anchoring financial capital in specific forms and places (Crevoisier et al., 2025).

The arrival of investment funds, combined with partnerships with local authorities, elevated Extrema to a national logistics hub, increasing land values, concentrating developments and attracting large companies, while producing a spatial model linked to financial strategies. This subordination reveals the situation: the organization of space comes to serve the demands of capital, which comes to determine where, how and for what purposes it will be used. The case of Extrema, therefore, goes beyond a local specificity by demonstrating how financial logic becomes territorialized. There are several consequences in Extrema that are directly related to the entry of financial actors. Land prices have come to be dictated by the financial market; in the words of a developer, land prices are “marked to market, whoever wants to sell offers it to them (investment funds)” (Interviewee 3). Other problems related to the production of space also emerge. The lack of housing is already an issue, both because the activity has attracted new residents and housing production has not kept pace—according to municipal data, there is a deficit of at least fifteen thousand housing units—and because of rising rents (Brigatti, 2022).

It is necessary, however, to go beyond a merely categorical view—which would be limited to stating that certain territories are “more” or “less” financialized—to focus on the qualitative transformations that this dynamic entails. Financialization is a multidimensional phenomenon that affects both urban governance and economic relations, and is a relevant subject for economic geography, for the debate on territorial development and for understanding the production of space. The territorial approach proposed in this study offers an analytical and practical path to rethink the aspatial character of financialization, as well as to understand its repercussions and how capital becomes anchored in new sectors and in space.

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