Relational Regulation and Chinese Real Estate Investment in London: Moving Beyond the Territorial Trap

Abstract

National governments, urban authorities, and supra-national bodies increasingly see the provision of new housing as a core priority. There has been a strong emphasis on reforming the regulatory environments that exist within geographical territories and making them more welcoming to inward investment. However, such outlooks we claim often fall into a territorial trap and give too much prominence to the regulations and policy environments found in recipient destinations. The paper argues instead for a more *recursive* focus on the ways in which decisions taken in 'source' and 'host' locations need to be understood as part of a mutually-constitutive system of governance. Using the example of Chinese residential investment into London, it argues that investment trends, processes and outcomes reflect a recursive combination of regulatory and political changes in both the city and within China, with the latter becoming increasingly influential. As we show, the Chinese Communist Party has been exerting greater control over the activities of Chinese real estate enterprises and what products are 'permitted' for investment and how this should be done. The paper reflects on the implications of for recent academic and policy writings on urban territorial competition.

KEY WORDS: Regulation; Urban Governance; Real Estate; Investment; London

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Introduction

National governments, urban authorities, and supra-national bodies increasingly see the provision of new housing as a core priority for both social and economic policy (Gallent, 2019). One way of boosting supply is to establish territorial regulations and policy instruments that ensure that investment can flow into the built environments of cities, whilst acknowledging that citizens and states should maintain a 'right to regulate' and control their scale and impacts (Raco, 2016). There has been a strong emphasis in policy narratives on the regulatory environments that exist within geographical territories and the extent to which they are welcoming to, or restrictive towards, inward investment and the needs of private sector institutions. Supranational agencies, such as the World Bank, the EU and the UN are pushing for local and national governments to entrepreneurialise and flexibilise their planning systems in order to make them more attractive to cross-national investment firms and institutions. A recent report, for instance, noted that 'cities from all regions and income levels have mobilized private investment to transform struggling areas into liveable, prosperous neighbourhoods' and that 'private investment is key to securing the necessary financial resources, while the viability of regeneration efforts relies largely on buy-in from the community and private sector' (Amirtahmasebi, et al, 2019: p.1) The messages are clear. Territorial regulatory reform is required if governments want to boost investment and solve their growing housing crises of affordability and supply.

Underpinning such narratives are presumptions over the significance of *territorial regulation* and systems of decision-making. They fall into a 'territorial trap' in viewing regulation-setting principally as a 'bounded' matter, shaped by the political programmes and policy instruments that policy-makers introduce within and for territories, such as cities. This is reinforced by broader simplifications of mobile 'investors' and 'footloose' firms. For decades, much of the academic literature on urban development projects and the entrepreneurial, boosterist policies of public agencies, have been underpinned by representations of an increasingly internationalised private sector that needs to be 'attracted' by public policy (Wu, 2020). For instance, in an excellent collection of recent writings on city marketing, the emphasis of conceptual and empirical narratives is predominantly state-centric and focused on how 'almost all major cities now apply these [marketing and branding] strategies to improve their image' (*Cities Editorial*, 2018: p.1) to attract investors. Or as Boisen et al. (2018) argue, 'local governments have mobilised private and public stakeholders in different ways to address this more or less perceived challenge of inter-urban competition' (p.4) in seeking to develop economic development strategies and programmes.

And yet, as we argue in this paper, whilst territorial regulation still matters, there needs to be more focus on *investment processes*, or *how* and *why* investments move from source locations into the real estate markets of cities. Drawing on the work of Hall (2018) we examine the *relational* forms of regulation that shape investment processes between places and their spatial uncertainties (Agnew, 2019). Our analysis argues for a *recursive* focus on the ways in which decisions taken in 'source' and 'host' locations need to be understood as part of a mutually-constitutive system of governance. This has become increasingly significant in the context of global shifts in the sources of investment into fields such as housing in which nation states play a growing role in both owning 'private' investment companies and/or directly establishing Sovereign Wealth Funds. In developing our argument we concur with Wood and Alexander (2016) who implore researchers to assess the multi-scalar nature of governance and regulation and to trace 'the power geometries which play out between regulators and the regulated corporate firm' (p.1849).

The paper uses the example of Chinese residential investment in London to document some of the shifts in geopolitics that are shaping financial decisions and argues that investment trends, processes and outcomes reflect a recursive combination of regulatory and political changes in both London (and the UK) and within China, with the latter becoming increasingly influential. We use the term investors to capture a range of people looking for capital returns and/or stable rental yields. This includes those investing in the

development of property, through to those buying individual properties. We utilise such a broad categorisation of investor to reflect the breadth of the governance questions over the structure and significance of regulatory processes and forms of policy-making. As we will show empirically, the Chinese Communist Party has been seeking to exert greater control over the activities of real estate enterprises and even dictates to firms and investors, of multiple sizes, what products are 'permitted' for investment and how this should be done. The sector has expanded in China (and elsewhere) through a diverse array of institutional forms and this has made its regulation increasingly complex and multi-scalar. At the same time, real estate and infrastructure investment plays a geopolitical, as well as economic, role in boosting China's soft power, or 'geocultural potential' (Winter, 2020), adding a further layer of complexity to decision-making and priorities. The paper therefore contributes directly to Alami and Dixon's (2020: p.89) call to 'uncover the drivers of diversity in state capitalism…the common tendencies and the continuous reproduction of difference between both state capitalism and other forms of capitalism'.

The discussion begins with an overview of recent writings on regulation, with a particular emphasis on the importance of relational understandings. It then examines the growth of Chinese real estate investors and the growing influence of geopolitical and regulatory programmes within China on global investment trends. We then turn specifically to the London residential real estate market to exemplify how these processes are playing out *in situ* before concluding with broader reflections on the relevance of the study for recent policy and academic writings in urban studies. Throughout the paper we draw on both qualitative evidence, including the analysis of Mandarin-language sources, and a purchased database produced by Real Capital Analytics [RCA] that triangulates the analysis by providing quantitative evidence of real estate investment flows and trends.

The Territorial Trap and the Rise of Relational Regulation

The focus of much work on trans-national investment has been on the ways in which development agencies and public sector bodies seek to represent their places to potential investors and buyers. Following Harvey's (1989) ground-breaking work, there has been a tendency to view investors principally as mobile private sector companies, usually working to shareholder-profit models. In an era of internationalisation, they are presented as being increasingly detached from territorial regulation and control and are able seek out new locations for investment returns in production and/or consumption-based facilities. A rich and varied debate has emerged on how places are converted into investment spaces by city authorities and development agencies and the (in)effectiveness and impacts of such interventions (Boisen et al., 2018). Policy narratives and blueprints, often produced by supra-national development agencies and networks of global consultants, have encouraged city (and national) authorities to adopt more flexible and open planning and governance arrangements to boost supply-side delivery and accommodate the needs of international investors looking for new opportunities. Development agencies are encouraged to form local action plans, explaining how they will move away from top-down, bureaucratic modes of deliberation to flexible, adaptive, and more market-oriented arrangements and instruments (Amirtahmasebi et al, 2019). The shift is part of wider trend in which traditional modes of authority and regulation are viewed as a barrier to the adoption of progressive economic support measurers and more flexible social policies (Du Gay & Lopdrup-Hjorth, 2016).

However, such work is often characterised by a territorial trap, in that it concentrates attention on the specific contexts and conditions found in places and plays down more relational understandings and processes of regulatory inter-dependence (Massey, 2005). This trap is especially limiting as the contexts in and through which territorial competition now occurs have changed markedly since the 1980s. One of the limitations of research on entrepreneurial cities has been its reliance on relatively easy to identify forms of

image production and territorial regulatory reform, rather than the more difficult topic of how understandings of regulations, policy instruments and marketing messages are consumed by actors and institutions and the quantitative and qualitative influence that they have on investment practices. If investment is viewed as a process then there needs to be more focus on where investors *originate*, what multiple ownership structures exist, and how activities are shaped by regulations and political projects in numerous places, rather than primarily in the places in which they invest. Whilst there is a comprehensive literature on different types of private sector investors and their trans-territorial geographical strategies (Halbert and Rouanet, 2014), there is less recognition of what effects changing geopolitical conditions have on corporate activities.

This lacuna is all the more surprising as writings in political economy have long argued for more focus on the co-constitutive historical relationships between the expansion of state power, particularly through imperialism, and corporations. As Gindin and Panitch (2012) argue, 'in contrast with those who have emphasised the marginalisation of states [in an era of globalisation]….states need to be placed at the centre of the search for an explanation of the making of global capitalism' (p.1). They chart the post-war role of the United States in shaping the conditions to allow for the expansion of 'home' multinational corporations and challenge the limitations of recent writings by economists that equate globalisation with the expansion of markets and understate the extent to which 'states are fundamental actors in the process' (p.3). Similarly, in post-war Europe the close 'corporatist' relations between state bodies, capital, and labour groups acted as a form of social democratic capitalist ordering (Schmitter & Grote, 1997). Alternative models of state-based developmentalism have also played a foundational role in the governance of East Asian states for decades (Doucette & Park, 2018).

These trends are especially significant as the 2000s have witnessed the expansion of a new class investors who are able to mobilise cross-border (dis)investments, but whose activities are *state-led*, through ownership or regulatory control, and subject to the political and economic priorities established in countries of origin as well as those of recipient territories. Recent writings on global finance and Sovereign Wealth Funds have shown how important such sources have become (Vogl, 2017). The most significant funds are owned by the oil-rich states of Norway and the Middle East, China, and Asian city-states. For Thatcher and Vlandas (2016), there is inadequate recognition of these market players in the academic and policy literature and as they demonstrate through a study of investment into Germany and France, 'not all overseas outsiders can be treated as a single category' (p.647). There has been, they claim, a neglect of the growing importance of foreign state investors and the ways in which they bring more 'patient' capital to investment projects, in contrast to the short-term, high-returns based tendencies of shareholder-based private sector firms. Our RCA database, for instance, shows that Norges Bank has been one of the biggest investors in major commercial and residential real estate projects in London, investing in 17 properties with a combined value of £2.8billion. The Abu Dhabi Investment Authority has similarly invested in 10 projects with a combined value of £3.7billion.

In the wake of the Global Finance Crisis, identifying clear investor strategies has become even more complex and relational. Moore-Cherry (2016), for instance, shows how the collapse of property markets in 2007/08 led to the Irish state acting as an owner of last resort and acquiring the property portfolios of the companies that it bailed out. In 2009 it established a *National Asset Management Agency* whose task it is to manage the portfolio and acquire maximum returns. The Irish state, by default, became a major property owner and broker in the property markets of cities like London and has played a key, indirect role in major developments by selling over £2billion of property assets between 2009-2019 (RCA, 2020). In the case of Sovereign Wealth Funds, such as Norges Bank highlighted above, political decisions over where and how to invest are becoming increasingly influential. In 2019 the Bank decided to reduce its exposure to real estate markets as they were increasingly viewed as being too risky and not 'diverse enough' to the

government's broader aim that the fund should minimising long-term risks (Olsen, 2019). Traditionally, Norway's state funds did not invest in property because it was considered too risky, but more business-oriented governments in the 2000s have viewed urban property markets, like those of London, as representing powerful investment opportunities. The 2019 shift away from this policy will have material effects on the types of investment that companies make and the cities in which they invest.

What such evidence demonstrates is that, in Büdenbender and Golubchikov's (2017) terms, there needs to be a greater awareness that geopolitics is more than just a 'context in which business is conducted' and should be seen as a 'process that may well involve real estate itself as one of its ingredients' (p.77). Drawing on the example of the relationships between American real estate companies and Russian property markets, they argue that geopolitics is not 'merely conditioning, but also conditioned by, real estate production and circulation'. Other studies of real estate production, especially of tall residential apartments in global cities, similarly highlight the importance of political economy explanations for the recent growth in international investments (Craggs, 2018; McKenzie and Atkinson, 2019), but with relatively little focus on the shifting nature of the political projects that shape investment systems in the countries *from which* the investment originates. The assumption is that high rates of value-extraction drive such investments, with less attention given to the geopolitical projects and cultural framings that underpin them.

Given some of these broader trends and processes, a particularly insightful way of viewing regulatory change comes from recent work in urban studies on *relational regulation*, both in explaining emerging governance systems and in acting as a methodological approach for how to study them. Sarah Hall's (2018) study of Chinese financial regulations and their effects on the financial markets and modes of regulation in the City of London, best exemplifies this wider approach and demonstrates how regulations 'travel from the jurisdiction in which they are created, examining how they are enacted and challenged in particular geographical markets' (p.274) and the mechanisms through which these 'co-constitutive relations' emerge. Research should focus, Hall claims, on the 'process of making offshore…markets' and more specifically the relationships 'between state sovereignty and private financial-sector interests...in shaping the nature and spatiality of financial market-making practices' (p.273). There needs to be greater awareness of the role that investment programmes and decisions play in the politics of source countries as, in a growing number of instances, these play a more significant role in shaping investment objectives and outcomes than local forms of regulation. A growing body of work is also exploring the variable and context dependent forms of state-led organisations and modes of finance, and a critical interrogation 'of the specific relations between state and capital and the particular configurations of political and economic power in each of the concrete instance of state capitalism under investigation' (Alami and Dixon, 2020; Hall, 2017; Haberly et al., 2019; Knight and Wójcik, 2017). The spatial uncertainties associated with these new relations generate new geographies of governance and regulation (Agnew, 2019; Keating, 2020).

A focus on the importance of relational forms of regulation has been developed from a broader range of writing on relational approaches and thinking (Massey, 2005), but relatively little of this has been focused on the regulation of real estate markets and what it means for the development of cities. This is significant, not only because of the growing influence of state-backed investors, but also because of the ways in which political projects are subject to constant reflexive change and challenge and contestations at multiple scales. Global and national contexts can shift rapidly, such as with the election of nationalist-oriented regimes, rapid shifts in trading systems, and the emergence of new barriers to some types of investment flow. Similarly, the internal politics of countries are also subject to reform and evolution as political priorities shift, along with material and cultural-ideological patterns. The priorities underpinning regulations, even within specific sectors such as real estate, can change markedly in a relatively short time frame, thereby undermining established market trends and risks. And whilst in some contexts being nation state organisations makes firms publicly accountable and encourages debate over the ethics of how they deploy

to accumulate their wealth, these forms of accountability are linked to political projects and democratic oversight in host countries, rather than in the (territorial) places in which their investments occur.

To conclude, this section has argued that whilst the growing literature on real estate investment has opened up new ways of thinking about global markets and territorial fixes, there is still a tendency to highlight place-based regulations as those that 'shape' the opportunities for investment in cities. There needs to a stronger awareness of relational forms of regulation and how these, in turn, play a role in shaping corporate investments. The remainder of the paper now draws on data and insights from a research project on the production of residential built environments in major cities, with a focus on London. The research design featured three elements: the systematic analysis and translation (from the original Mandarin) of government regulations, laws, and stated policy objectives of the Chinese State and relevant materials on London; semi-structured interviews with 40 interviewees including Chinese-based property investors and their networks of advisers and brokers, along with regulators, private sector representatives, and policy-makers in London; and the systematic interrogation of an investment database of London properties purchased from RCA Ltd. The definition used for Chinese-based companies was that they had HQs in mainland China and for investors that they were natives of China, although in some cases they had lived in the UK for up to a decade. Investors therefore included a wide range of actors, from small investors holding residential properties to major SOEs. The discussion begins with an analysis of the rise of international Chinese real estate investors of varying types and the role of geopolitics in shaping investment strategies and practices. It then moves on to the London case and uses detailed quantitative and qualitative evidence and examples to analyse the relationships between flows of investment into the London property market and the impact and influence of regulations in multiple locations. It concludes with a discussion of the broader significance of the findings for contemporary work on financial investment flows and relational understandings of regulatory governance.

The Rise of International Chinese Real Estate Investors

The growth of real estate-focused development companies in China expanded through the 1990s and 2000s as the country underwent a rapid transformation into a market-led economy (Shi, 2005). Their expansion has emerged from the complex interplay of market reforms, changing regulations, shifting geopolitical priorities, and the activities of individual entrepreneurs and institutions (Alami and Dixon, 2019; Gu et al., 2016). In 1997, 'non-public sectors', or the *feigongyouzhi jingji*, were formally recognised as being 'important components of a socialist market economy' (Jiang, 1997: p.1) and these reforms were entrenched in 2000 through the Communist Party's explicit programme to 'support, encourage and guide' self-employed and privately-owned businesses. The Chinese Communist Party still uses SOEs as an important tool to underpin its authority. Under the system known as *zhuada fangxiao*, the government maintains control of large SOEs that are considered as having strategic significance to national economy. This has involved the transfer of financial and land resources as the 'main tools of policy implementation, and perhaps even more importantly, as a source of rents', making them 'an integral part in consolidating the current Party-state system' (Székely-Doby, 2018: pp.290-291). SOEs have also expanded through their participation in Chinese urban (re)development projects as a consequence of land reform and housing privatisation. The commodification of land in cities not only provides access to new opportunities, but also creates a prerequisite for the participation of capital from the market in urban (re)development. The rapid growth of mass-urban (re)development schemes across China since the 1980s helped establish what He et al. (2019) term a process of 'state-led financialisation to inject low-interest, stable and long-term loans to facilitate urban redevelopment'. A financial system emerged based on 'the circulation of financial capital in and out of the built environment' (p.7), with State-owned agencies and authorities empowered to act as lenders, borrowers and planners.

Since the 1990s SOEs have been increasing used as vehicles for *foreign* investment, a move that has further entrenched elite control and generated profitable financial returns to help boost China's revenues and reserves. As Shen and Yin (2016) note, 'commercial banks are mainly controlled by the state and state-owned firms in the economy generally have priority access to loans from state-controlled banks' (p.264), giving the Chinese government a strong steer over both the availability of credit and how it should be invested. Moreover, the Chinese government introduced a loose monetary policy in 2008 which enabled bank loans to fuel growth in the real estate sectors, or as Shen and Yin note 'the leverage ratios of state-owned firms significantly increased as bank loan supply increased during the credit expansion…[and that] borrowing from banks increased more in state-owned firms than non-state owned' (p.264). This 'direct microeconomic channel between monetary policy and corporate financing' has, the authors claim had a significant impact on the aims, objectives, and practices of real estate companies and generated resources to invest in overseas projects. At the same time domestic markets have become increasingly difficult environments in which to operate, acting as a further incentive for Chinese firms to move into external markets. As Ke & Sieracki (2015) argue, within China's real estate property markets, 'issues such as a poorer level of standard market information, development instability, low transparency of the legal system, high taxes and high government invention still exist….therefore hindering its progress towards greater market maturity'. At the other end of the scale individual buyers of property have been greatly influenced by restrictions on buying that mean that only those with local accounts can buy one unit of residential property in Chinese cities, further limiting domestic opportunities for investors and buyers. Between 2010-2017 it is estimated that Chinese investors and buyers acquired international property and real estate investments totalling $430billion[1].

Reforms Since 2017 and the Emergence of new Geopolitical Strategies

The period since 2017 has been marked by a number of regulatory changes under which the Chinese State has tried to take more control over how and where this money is invested by both large-scale or corporate investors and individuals. Real estate investment represents a key part of a broader geopolitical strategy, rather than acting primarily as a vehicle for private profit-making or shareholder returns, as is the case for most western-based global and national corporations. For instance, the Chinese State maintains a closed capital account, meaning that a broad range of investors, including companies, banks, and individuals are prevented from moving money in or out of the country except in accordance with state regulations, set in line with the country's political and economic priorities. The key institutions are the People's Bank of China (PBOC), which is the Central Bank, and the State Administration of Foreign Exchange (SAFE) both of which regulate flow of foreign exchange in and out of the country, and set exchange rates through a managed currency floatation system. Both have gradually increased the number and strictness of regulations, the most significant of which are outlined in Table 1.

INSERT TABLE 1 HERE

Since 2016 all banks must report to central government on every single foreign exchange transaction over USD $5 million. There have been growing concerns amongst Chinese elites at falls in the country's foreign exchange reserves, which have declined from a peak of approximately US$4trillion in 2016 to just over

[1] https://www.cnbc.com/2018/09/07/china-investors-set-to-investment-more-in-overseas-property-investment.html

US$3trillion by 2017 (Trading Economics, 2020). SAFE will supervise and halt any on-going overseas direct investment projects in which Chinese investors transfer more than USD $50 million. Only once they have vetted the authenticity and legality of the company's plans will the green light be given. The collective impact of these measures on what types of investment flows into (and out of) the built environments of international cities, such as London, is especially significant.

Investment priorities are set by the *National Development and Reform Commission* [NDRC], a body charged with regulating and co-ordinating Chinese state policies for both inward and outward investment. In 2017, it introduced measures that aimed to strengthen 'the mutually beneficial and friendly cooperation between China and other countries in the world' but recognised that 'private enterprises in China still have inadequate overseas investment experience and overseas operation level to be improved' (NDRC, 2017a: p.1). It led on the production of a *Code of Conduct for the Operation of Overseas Investments by Private Enterprises*[2] that was produced 'for the purposes of regulating the overseas investment and operation acts of private enterprises and improving [its] quality and level' (paragraph 2). The Code sets out a number of core conditions for institutional and individual investors, principally focused on establishing an 'orderly manner' of activities, that promote international cooperation. There is an attempt to generate reputational capital amongst Chinese firms, with a strong anti-corruption emphasis and a requirement that firms meet Chinese and internationally-accepted public and private law standards of transparency and openness. Firms are required to 'educate' their managers and assist them to become embedded actors who understand and act on local 'laws and regulations' (paragraph 9). There is a particular focus on what are termed 'sensitive industries' working in 'sensitive countries' for whom the 'approval' for any investment decisions must 'be made beforehand' (paragraph 10), otherwise it will be deemed illegal.

The links with broader political objectives are clear, with a particular emphasis on the infrastructure investment-led 'One Belt One Road' initiative [OBOR] that represents the cornerstone of the current administration's strategic international spatial development strategy (The Economist, 2020a, 2020b). For the Chinese government OBOR is both economic, in creating opportunities for Chinese firms, and geopolitical. As an Ernst&Young (2018) report notes, the Chinese government states that 'we should pursue the OBOR as a priority, give equal emphasis to 'bringing in' and 'going global' and proposes to 'build a community with a shared future for mankind'. It also shows that 'since the OBOR was proposed five years ago, the Chinese State has been 'pursuing unimpeded trade, facilities connectivity and financial integration with related countries, providing new impetus to the economic recovery and sustainable development of the countries along and beyond' (p.12). Even more explicitly, an NDRC document in 2017 named *Further Guidance on the Direction of Outbound Investment* requires Chinese SOEs and developers are being commanded to boost investments 'in countries that are more cooperative to China's OBOR initiative' (p.2), a directive that has not gone unnoticed by city and national governments in the west.

In addition to these regulatory changes, the Chinese State has also extended its direct role in controlling and influencing some of the country's largest property development firms and the actions of its individual citizens, following a period of centralisation from 2013. In relation to individual firms, companies have also been subject to on-going control in three principal ways, each of which has fluctuated with different approaches towards levels of devolution by Central Government in Beijing. First, control is maintained through direct ownership by public authorities and majority stakes in firm ownership structures, as will be demonstrated in the London case below. Second, there has been renewed emphasis on the importance of Communist Party Committees within SOEs. Traditionally, these Party bodies focused on the supervision of staff behaviour, anti-corruption, and a firm's social responsibilities. Since 2016, their roles have been

[2] Other signatory agencies were the Ministry of Commerce, the People's Bank of China, the Ministry of Foreign Affairs, and the All-China Federation of Industry and Commerce (Source: Document Number 2050)

expanded under the codes of the *State-owned Assets Supervision and Administration Commission* (SASAC) and the more recent *Regulation on Chinese Communist Party SOE's Organisational Work*, in 2019. The former is a Ministerial level agency that requires all SOEs to 'earnestly fulfill corporate social responsibilities' and sets out a series of monitoring arrangements to oversee the practices of companies. It seeks to ensure that all firms follow Chinese company law and Party policies at all times, including wages and remuneration, corporate priorities and management with the power to 'appoint and remove top executives of the supervised entities and evaluates their performances through legal procedures and either grants rewards or inflicts punishments based on their performances' (p.1). It is designed to be 'responsible for fundamental management of state-owned assets', and establishing a degree of centralization over corporate strategies that differs markedly from those of western companies. The latter regulation has strengthened the role of Communist Party members in the direct operational decisions of firms, with the position of Party Secretary and Board Chairman taken by the same individual. And third, as noted earlier, the Party is also able to use indirect financial means to influence SOE activities through its control of banks and credit sources.

To increase central control further, from 1 March 2018 these rules were introduced to 'improve the regulation of the whole process of overseas investment' in order to 'maintain the national interests and national security of China' (NDRC, 2017b: Article 1). This process is underpinned by a 'network system' of co-ordinated knowledge accumulation, under which the activities of investment managers will be scrutinised and measured in relation to their perceived contributions to broader state policies. The NDRC makes it clear that it will 'enhance the analysis of international investment situations' and use the state's political and market powers to 'promote the creation of a fair business environment in the relevant countries and regions for Chinese enterprises to make investment' (Article 11). This active international investment policy is underpinned by a logic of threat under which the Chinese state will use all means to 'promote the building of the [international] system and capability of protecting the safety of overseas interests, guide investors in preventing and responding to major risks, and maintain the lawful rights and interests of Chinese enterprises' (Article 12). The congruence between the interests and activities of individual and institutional Chinese investors and those of the state are enshrined in such guarantees, or what is referred to by the NDRC as 'confirmation management'.

There has also been a push towards the regulation of investments into specific sectors that are deemed 'appropriate', with a fear that individuals and firms have been investing in more risky sectors or those that are seen to damage the country's external image and reputation. As listed in Table 2, the NDRC now formally categorises 'types' of overseas investment in order to target funds on more 'stable' forms of commodity. Addressing investors into the development of property (rather than the acquisition of property), under provision 4, the NDRC identifies areas of investment in the built environments of international cities, such as London, that are subject to restrictions, notably speculative developments in real estate and specific sectors of the hotel and entertainment sectors that are deemed to be negative influences on the 'reputation' of Chinese investment and, by default, the Chinese state. Under its *Further Guidance* of 2017 firms are also being encouraged to establish joint ventures with trusted local financiers to 'export' their brands to international markets and establish further international legitimacy. The presence of such systems also provides opportunities for political and economic elites to gain formidable power and wealth and this, in turn, opens up opportunities for well-documented cronyism and corruption that are seen to be damaging to the sector's international reputation (The Economist, 2020c).

INSERT TABLE 2 HERE

The identification of real estate as a field of action is indicative of its broader symbolic status as a tangible and highly visible form of intervention in cities beyond China, both in terms of large scale investment in construction and development, and in individual property purchases. For corporations, investing in lower-

status developments, like cinemas and casinos, is viewed as being in tension with the government's geopolitical objectives and strategies. Likewise, as noted by interviewees, there is also growing sensitivity over the negative publicity that speculative investments by individual property owners are having in cities such as London, in which the current Mayor has blamed overseas investors and buyers for contributing to the city's housing crisis and the restricted availability of affordable housing. Whilst such tensions have long featured in debates between territorial democratic regulatory oversight and the need for private sector profiteering, the growth of state-led investment priorities takes the relationships between political and economic objectives to a higher level. As the Chinese Communist Party makes clear, 'Party committees and discipline inspection groups at every state enterprise must stick to the highest standard of Communist Party discipline and deeply understand the importance urgency of controlling overseas risk' (Reuters, 2017: p.1). Overseas risks are those that run contrary to the Party's stated aims and ambitions for investment. This is manifest in strict rules under which every individual citizen is given a quota of $50,000 to invest abroad and cannot go beyond this without the formal approval of the *State Administration of Foreign Exchange*. As Huifeng (2018) notes, this restriction has acted as 'the biggest problem for these upper-middle-class citizens is that the government severely restricts capital flows out of the country. Beijing wants money earned in China to stay in China to help fund further development, regardless of the financial consequences this might have for individuals' (p.1).

These regulatory reforms and shifts in priorities are having material impacts. According to Hanemann, et. al. (2019) in 2018 Chinese investment into the EU as a whole has reduced significantly in total, falling by 40% from a peak of €37billion in 2016, to €17.3billion. It has also become more diversified geographically – the UK's share for instance fell from 63% of total investment in 2017 to 24% in 2018 – and by sector, with only €2.8billion invested in real estate. This trend is reflected in our RCA transactions data that shows for instance that across western Europe as a whole, there was only 1 major hotel investment in the period 2018-2020, made by the Shanghai JinJiang Hotel Group (for £15million in central France), compared with over £2billion of investment between 2009-2018. These trends reflect a relational interaction between growing regulation across and within the EU towards potentially 'hostile' Chinese investment in key sectors and the changing regulatory environments within China, as set out above, that are seeking to re-shape overseas investment in ways that will boost the country's reputation and ward-off the threat of further regulatory clampdowns. It also reflects a wider trend amongst national governments in Europe that have tightened their regulatory rules in the wake of geopolitical concerns over Chinese control of key infrastructure, including energy and IT systems (The Economist, 2020d). In the next part we turn to the case of real estate investment in London. We begin with a brief overview of the policies of the Mayors of London and their objective of trying to make the city a more attractive destination for Chinese investment, before turning to a closer analysis of the sector itself and how recent regulatory reforms discussed above have impacted on investor practices. Whilst a growing literature is critical of simplifications over the geopolitical priorities of the Chinese State (*cf.* Alami and Dixon, 2020), our findings indicate that recent reforms have made a tangible difference and reflect attempts to exert greater control on all types of buyers and investors, even those seemingly 'independent' of State ownership.

Chinese Investors and the London Real Estate Market

The Growth of Chinese Real Estate Investment in London

During the 2000s London became a focal point for Chinese real estate investors both individuals and corporations, in part owing to city-wide and national regulatory reforms that sought to make it a prime destination. Successive Mayors have promoted Chinese investment, seeing it is a potentially lucrative source for financing the construction of much-needed housing and infrastructure. Former Mayor Boris Johnson

oversaw an era of mass investment by Chinese firms between 2008-2016, and trumpeted major property investments as evidence that London is:

'*a city that is open for business and with 33 opportunity areas dotted around the capital there is enormous scope for Chinese investors to get involved, helping to create jobs and growth in the process. I'm delighted to welcome some of Britain's most influential business people on board and the delegation and I will be taking every chance we can to promote London as the best big city to invest in*[3].

Investors and buyers of all sizes were encouraged to take up opportunities, particularly in the real estate sector in which it was perceived that London had particular advantages. The Mayor's promotional organisation London&Partners was given the role of identifying sites for investment and offering them in a pitchbook-style. By global standards it was relatively easy to buy property and had acquired the status of being a 'safe haven' for international capital, with relatively high returns at low risk and a legal system that provided certainty of returns and limited transparency (Raco et al., 2019). As one interviewee noted this status was a primary reason for interest from Chinese investors: "*with its sound financial and taxation systems, London is a preferred place for property development, transaction costs are low and there is no additional duties on overseas buyers or mortgage restrictions*". Moreover, the steep decline in the value of the Pound since the Brexit Referendum in 2016 has inflated the possibility of profiteering for international investors that in the words of one experienced Asian-investor Advisor meant "*taking advantage of growing political and economic uncertainty to take on some of the capital's trickiest large-scale regeneration projects".* The emphasis of much of the promotional material produced by major property firms is focused on how '*Asian developers hope to satisfy demand amongst Asian investors…driven by London's 'safe haven status*' and *the expectation that prices and rents will contribute to rise over the long term and to diversity their holdings globally*' (Savills, 2018: p.1). The narratives of profiteering offered also refer to the city's perceived housing crisis and market restrictions.

At the same time interviewees who had purchased individual properties also talked at length about the political symbolism of investing in the city and the cultural significance of London as an investment destination, in ways that went beyond quantitative calculations and returns. One interviewee described London's markets as a "*trophy*" type investment, "*it's a possession thing. We and our buyers want to buy a piece of London*". This cultural focus on what numerous interviewees, representing multiple types buyers, described as 'iconic parts' of the city explains, in part, how and why Chinese investment is so focused on major central London projects. Many investors and sellers are aware that Chinese buyers do not buy into rental investments, but want to purchase off-plan residences in developments that mirror or replicate home environments. In this earlier phase, Chinese SOEs in particular adopted a strong 'returns-led' approach to the city, looking for investment site opportunities from which to extract returns. As one Adviser noted, "*almost all of them are concerned with one thing – returns [on yields and sales]*". Others talked of the importance of liquidity and the ability to extract value from fixed assets. Politically, the ambition was also to establish greater reliance on Chinese funds and to use profits to benefit both the Chinese state and political and economic elites. In this sense the patterns of ownership differ from other state-owned property agencies, such as the Irish institution NAMA discussed earlier (*cf.* Moore-Cherry, 2016). The RCA residential data on overseas investment by Chinese real estate firms is remarkable in showing the geographical concentration of firm activities in London. None of the biggest firms listed in Table 3 has any major residential investments anywhere in Europe outside of London, despite some of the firms possessing portfolios including hundreds of investments worldwide.

INSERT TABLE 3 HERE

[3] 'Mayor leads top business delegation on trade mission to China', Press Release, Mayor of London, 11 Oct 2013.

After coming to power in 2016 with an explicit agenda of taking control over the city's property markets in the interests of citizens and residents, the current London Mayor, Sadiq Khan, has promoted further Chinese investment as a core priority in boosting supply. There has been a proactive effort to reinforce the city's role as a core location for investor interest, with the launch of an 'Open London' marketing agenda. In 2018 attention shifted to the Chinese state's OBOR with the Mayor claiming that it 'will unlock a whole new range of opportunities for both London and Chinese businesses and will further strengthen economic and cultural links between our cities' and could generate over £1.8billion of investment in property and associated infrastructure. A Digital Hub has been set up and London&Partners has organised associated promotions events that included the Chinese Ambassador and other government players. In this respect the Mayor is replicating the activities of territorial agencies in locations such as East Africa and Central and Southern Europe who have seen OBOR as a potential source for investment (Anthony, 2020; Wiig and Silver, 2019). However, there is also a tension in these agendas between seeking to attract money to finance new home-building, but at the same time being cautious about attracting more Chinese buyers to take up the new residences. A Freedom of Information request[4] on the Mayor's promotional work with Chinese firms and governments showed that '*as one of the world's fastest growing economies, China is one of the leading sources of investment into the capital*' (p.1). Listed bilateral meetings in which '*the Mayor has promoted London as the pre-eminent business capital of the world*' (p.2) have been held with Mayors and Party Leaders, *not* business leaders, reflecting the fundamental role of Chinese State and political actors in shaping investment practices. The approach is one example of how regulatory shifts in cities such as London are shaped relationally and create new forms of inter-dependence. In the wake of Brexit and, at the time of writing, the beginnings of the COVID-19 crisis, the push to maintain London's role as an open city to Chinese firms continues to play a strong role in shaping planning agendas.

Post-2018 Trends in Chinese Investment

The earlier phase of Chinese investment in London has been subject to the regulatory changes and trends in Beijing outlined above, all of which were discussed by interviewees, with much reflection on what it meant for current and future involvement in the London property market. In the words of one experienced adviser there has been a marked shift in approach so that whilst "*the Chinese government were encouraging new investment they now have concerns over how their foreign reserves falling and the fact that many investors and buyers are not too fussy about what they invest in*". This lack of 'fussiness', it was claimed, had given Chinese investors a poor reputation and generated much high-profile criticism of how projects were generating poor-quality high-rise, high exchange value properties. The emergence of recent regulations to limit such projects has had a marked effect. A Savills (2018) report on the property market made clear that in 2018 'increased regulation of Chinese outbound investment has reduced the amount of Chinese capital targeting London' (p.2), rather than the primary cause being any regulatory changes initiated by the Mayor of London, the UK government, or even the changing relationships between the UK and the EU.

In our research we found three primary effects of these changes. First, amongst major property developers and investors there had been a recent reduction in investment in major projects and the rise of new players attracted to relatively low-risk, welfare-based forms of housing, especially care homes for the elderly. The image of Chinese buyers investing in high-end, high-return, high rise buildings (Wiig and Silver, 2019), is slowly changing in the wake of growing regulatory pressure from the Chinese government. RCA data shows that the main investor in new projects since 2018 has been Cindat Capital Management, a SOE that has over £2.6billion pounds worth of assets worldwide and specialises in the delivery and production of

[4] GLA (2019) Freedom of Information Request Ref: MGLA280619-6047

care homes. Since 2018 the company has invested in development sites across London and has been looking for lower profile, safer returns. The same trend is occurring with other major Chinese property-focused SOEs. In 2019 County Garden, for example, invested in the CATS UK Schools Network, a marked departure from earlier rounds of investment in residential projects, such as the partnership with the UK firm Galliard Homes to build 785 high-value units alongside the River Lea, close to the former London Olympics 2012 site.

A second effect is that major companies have started to pull out of high-risk projects in response to pressure from the Chinese authorities. The highest profile example is that of Wanda and its investments in the Nine Elms regeneration area. Its projects included a hotel and Thames-side resort on two sites - a tower of 18 floors and 173 units and 2 major high-rise apartment developments of 42 and 58 floors. It is exactly the type of high-profile, risky development that was the target of the Beijing government's more restrictive real estate regulations introduced in 2018. Wanda sold both sites to the Chinese property developer R&F, with media reports claiming that the move was part of a global sell-off as 'some of its recent acquisitions allegedly breached Chinese government regulations for overseas investments' and that 'some of those deals required that large sums of cash be moved offshore, ostensibly in contravention of China's strict regulations regarding outbound capital flows that were tightened up last year' (Cain, 2017: p.1). Whilst such claims were difficult to verify through additional direct primary evidence, what can be determined from RCA Data is that in 2017 and 2018 the Wanda group as a whole disposed of over £6billion worth of land and property assets worldwide, after acquiring over £21.8billion worth over the previous decade. In 2020 it still owned 504 property sites around the world, with a combined value of £34billion. Selling its highest profile London sites was as much a response to political and regulatory pressures in China, as to any changes in its market position. The firm's formal statement to investors pointed out that '*the Company considers that the Disposal represents an opportunity for the Group to realise its investment in the London Property Project and would benefit the Group by strengthening the liquidity and financial position of the Group*' (Wanda, 2018: p.8). The fact that it had not made profit on the development as it remained incomplete indicates a more structural shift in approach.

Third, a concerted effort has been made to limit the activities of smaller investors and buyers of individual properties, who are not 'state-owned' actors but who are still subject to growing regulatory pressures and limits on how much capital they are allowed to invest. In interviews it was reported that it had been 'made clear' to citizens by Chinese officials that their primary duty was now to invest in Chinese real estate markets, as there was growing concern that too much capital was leaving the country. One investor who acquired their first London property in 2011 claimed that they had felt the direct effects of regulatory changes in China that were openly "*trying to create a tougher climate and encouraging people* not *to invest*" owing to "*an outflow of real estate investment out of the country to cities like London*". Cumulative new regulations and rules increasingly require investors to justify the use of 'Chinese' money to fund new real estate investments, making the process increasingly onerous and challenging. The biggest impacts had come from the limit of $50,000 per person was designed to undercut investment activities such as theirs, at a time when regulations in London had not changed significantly, notwithstanding increases in sales taxes. Another small investor with a portfolio of properties in regeneration sites in Central London and suburban growth areas, noted that a growing problem was that "*the Chinese government is imposing the most strict* [sic.] *controls on transferring money overseas*" and that as with the investor quoted above, this was having a qualitative effect on investor confidence. A typical response was for the families of smaller scale investors to 'pool' their allowances, even including children's allocations, to enable individuals and their firms to undertake new investments. However, this had two implications. First, the capacity to shift sufficient financial resources across borders in this regulatory environment is clearly limited. Second, there was also growing concern amongst individuals that new forms of state surveillance in China were threatening to 'criminalise' such activities, making them increasingly risky. State regulations carried new penalties in terms of reduced social credit scores and threats to the 'image' of the country. Whilst much academic and public focus has been on major

investors and high-worth individuals, the ways in which smaller investors are also being subject to greater regulation, has happened surreptitiously, reflecting the growing power and influence of the Chinese State over its citizens at all levels and across geographical scales. The contrast with western based individuals and firms who have been consistently able to avoid regulatory capture by territorial governments is stark (Shaxson, 2018).

And finally, the broader perception amongst all respondents was that political priorities and regulations in China were likely to shift further away from international real estate residential investment, not only in London but elsewhere. The infrastructure-led OBOR initiative, in particular, was seen by many as the government's new priority along with investments in intellectual property development, commercial property, and the 'green' economy. Whilst the London market will continue have a cultural and economic pull on Chinese buyers and smaller investors, the role of SOEs and major property companies looks set to change. At the time of writing the impacts of COVID19 and the de-globalisation that is occurring are likely to reinforce these trends further, although falls in property prices might also encourage further investment into 'cheaper' assets, on the expectation that they may rise again in future.

Conclusions

The paper has drawn on the example of Chinese real estate investment into London to explore the relationships between territorial regulations and investment processes. has been a strong emphasis on reforming the regulatory environments that exist within geographical territories and making them more welcoming to inward investment. However, the paper has argued that that these processes cannot be understood without an assessment of how the actions of individuals and firms are embedded in *co-constituted and relational* regulatory structures and systems (*cf.* Hall, 2017). As Hall (2018) notes, the experiences of economic sectors that rely on external Chinese investment is that they 'demonstrate the power of the Beijing monetary and financial authorities in shaping…internationalisation' (p.274), alongside those of territorial agencies that receive such investment, a finding highly resonant for the cases discussed above. As the paper shows, since 2017, new regulatory measures from Beijing have sought to 'reign-in' the activities of SOEs and other individuals and institutions. The diversity of Chinese investors (*cf.* Alami and Dixon, 2020) and their increasingly risky activities during the 2000s, underpinned the implementation of more authoritarian and restrictive responses in an attempt to broaden State control. This, in turn, is having material impacts on investment practices, even amongst smaller investors who have traditionally been left free to pursue their own projects. There have also been efforts to re-shape the form and character of future investment into western cities, such as London, and provide new sources of finance for infrastructure projects, especially through the symbolically powerful OBOR initiative. In the case of real estate, the perceptions and understandings of Chinese regulators and investors are also influenced by the specific regulatory, economic, and cultural environments of destination territories, such as London, with policies representing an attempt to channel the right types of investment into the right places to meet geopolitical as well as economic priorities.

The paper's findings have broader relevance to recent policy and academic debates in urban studies, especially over how to 'attract' investment for much needed housing and other infrastructure. The growing orthodoxy of public policy narratives, and some academic writings, we claim fall into a 'territorial trap, and focus to a heavy degree on the regulations and governance systems that make a place 'attractive' to potential investors (The Economist, 2020b). It is a trend reflected in the policy orthodoxies of supra-national bodies such as the World Bank and the EU who are pushing for greater flexibility from city (and national) authorities and a shift towards growth-centred, delivery-focused territorial governance. Similarly, much of the academic literature on urban entrepreneurialism and territorial competition since the 1980s has focused

on investments by private companies and the ways in which city regulations and marketing campaigns have influenced investment flows, with little emphasis given to the structural changes occurring in the sources of such investment.

With the rise of SOEs and new forms of state-owned financial sources from countries such as China and elsewhere, along with the internationalisation of real estate as an investment class, a broader set of insights is required into the impacts of geopolitical strategies and the co-constitutive, relational forms of regulation that are now emerging. Political lobbying and influencing have become increasingly significant. Whilst this is not new, in that the activities of firms and governments have always been intertwined (*cf.* Büdenbender and Golubchikov, 2017), the growth of powerful SOEs of different types has created new forms of dependency for territorial governments intent on the expansion of supply, especially in housing provision. This dependency has the potential to circumscribe the degree of criticism that authorities are likely to make of governments in investment-rich source countries, as there is pressure to create 'geopolitically-welcoming' environments for investors, alongside more traditional policy instruments to boost their financial and economic returns. As the paper has also shown, regulatory shifts in source countries are subject to relatively rapid changes, thereby generating new types of vulnerability and local dependency, very different to the dependencies set out in earlier generations of urban theory, in which the focus was principally on the relationships between territorial variations in taxation rates and land values, along with a firm's ability to relocate (Cox, 1998). For example, the paper has highlighted recent shifts towards centralisation, but there are on-going debates within Chinese state over the degree of devolution that should be encouraged to enable 'entrepreneurial' individuals and firm managers to take advantage of market opportunities[5]. Premier Keqiang Li (2018) for instance, recently stated that the government should intervene less in SOE corporate governance and such decisions impact not only on Chinese regulatory structures but also on the form and character of broader internationalisation processes. The methodological implications of these findings are that research should examine the interrelationships between regulations in places of origin as well as places that receive investment and look at the co-constituted relations that emerge, how they evolve and what their material impacts are on practices and outcomes.

[5] The policy approach of expanded centralisation is known as *guojin mintui*, which approximately translates to 'state steps in, private sector withdraws'.

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Table 1: Chinese Central Bank and SAFE Regulations on Foreign Outflows

Date of Introduction	Regulation	Key elements
February 2007	*Measures for Administration of Foreign Exchange for Individuals*	Each citizen is given an annual foreign exchange allowance up to the equivalent of USD$50000
October 2008	*Notice of the State Administration of Foreign Exchange on the Issues Concerning the Registration of Foreign Debts under the Trade in Goods by Enterprises*	- Companies required to report on any overseas payment with a term over 90 days from the date shown on the import declaration form to SAFE, no matter the amount. - The accumulated reported overpayment amount in one calendar year cannot exceed 10 percent of total importation amount of the last year. - When an enterprise enters into a contract that contains a clause for the pre-payment for purchases, the enterprise must register (with SAFE) within 15 working days after the contract is signed. - The enterprise must register the contract and the foreign exchange prepayment within 15 working days before the remittance
December 2016	*Measures for the Administration of Financial Institutions' Reporting of High-Value Transactions and Suspicious Transactions*	- Banks and other financial institutions in China will have to report all domestic and overseas cash transactions of more than CNY 50,000 yuan, compared with CNY 200,000 yuan previously. - Banks will also need to report any overseas transfers by individuals of USD $10,000 or more.

Table 2: NDRC List of Industries for Which Overseas Investment is Restricted

1.	Research, manufacture, production and maintenance of weaponry
2.	Cross-border water resources development and utilisation
3.	New media
4.	Industries restricted according to the Circular of the General Office of the State Council on Forwarding the Guidance Opinion of the National Development and Reform Commission, the Ministry of Commerce, the People's Bank of China and the Ministry of Foreign Affairs on Further Guiding and Regulating Overseas Investment Direction:
4.1	Real Estate
4.2	Hotels
4.3	Cinemas
4.4	Entertainment industry
4.5	Sports clubs
4.6	Establishment of overseas equity investment funds or investment platforms with no specific industrial projects

Table 3: Largest Chinese Real Estate Investors in London

Developers	Ownership	Major shareholders	Year of first investment in London	Residential property development projects in London	Investment expenditure (£)	Co
Greenland	State-owned	Shanghai Gelinlan Investment (private), 29.13%; Shanghai Land Group (shanghai municipality-owned enterprise), 25.82%; Shanghai Municipal Investment Group (shanghai municipality-owned enterprise), 20.55%	2013	The Ram Brewery, Wandsworth; Spire London, Tower Hamlets Hertsmere House	Not publicly available	Gr sta Co Co Gr de est pro Ca
Wanda	Mixed-ownership	Dalian Hexing Investment Limited	2013 (withdrew 2018)	One Nine Elms	Not publicly available	Fi Jia de co ca Ch sol
Vanke	Mixed-ownership	Shenzhen Metro Group (Shenzhen Municipality-owned), 29.38%; HKSCC Nominees Limited (foreign), 11.91%; Shenzhen Jushenghua (private), 8.39%; Anbang Insurance (investment portfolio), 6.34%	2015	The Stage, Shoreditch, Hackney;	501, 207, 466	A Sh op Pr Va Re un Su the the Gr
R&F Properties	Private	Domestic shares by board members, 68.49%; Lehman Brothers Holdings Inc., 11.69%; Citigroup Inc., 9.79%; BlackRock, Inc., 6.10%	2017	Vauxhall Square, Lambeth; London One Project and Nine Elms Square, Battersea, Wandsworth; St George's House, Croydon	394,582,490	R& Zh in Pr lial eac
CC Land	Private	Thrivetrade (private), 41.37%; Fame Seeker (private), 10.50%; Yugang International Limited (private), 7.53%; Future Capital Group Limited (private), 7.53%; Lo Ki Yan Karen (personal), 8.89%	2017	50% interest of Nine Elms Square, Battersea, Wandsworth; Whiteleys Development, Bayswater,Westminster	469,182,302	In est De La inv
Country Garden	Private	Concrete Win Limited (private), 43.64%; Genesis Capital Global Limited (private), 13.12%; China Ping An Life Insurance (private), 8.99%; Golden Value Investments Limited (private), 0.47%	2018	Ailsa Wharf, Poplar, Tower Hamlets	Not publicly available	Co Co lar Ga seg pro ho 22 mi
Poly Real Estate	State-owned	Poly South Group (central government-owned), 54.59%; Guangdong Huamei Education Investment(Private), 11.50%; Zhang Keqiang (personal), 3.27%; Li Binhai (personal), 0.43%	2018 (residential property)	Millbrook Park, Mill Hill, Barnet	Not publicly available	Es sul Po Es So Es co

Xinyuan	Private	All directors and executive officers, 50%; TPG Group Holdings (SBS) Advisors, Inc. (private), 5.95%	2018	the Madison Project, canary wharf, Tower Hamlets	29,110,000	Es in 19 de 3 c 20 th