

Financialization and deterritorialization in the Milanese major urban development projects

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Major urban development projects are pivotal to connect financial and real estate markets through the 'financialization' of strategic lands and the 'deterritorialization' of actors, practices and instruments. Milan is currently facing several large-scale property operations delivered by global developers and investors. Among these, this article problematizes the Milano Innovation District (MIND) by reconstructing its spatial development, showing how property financialization generates a deterritorialization of this project from the city planning system. Milan's case has been considered relevant because of the convergence of global and local interest in developing the former Expo 2015 site, in a little metropolis which, on the other hand, shows an enormous concentration of financial capital managed in the Milanese headquarters of some of the largest European banks. In this article I will introduce the concept of financialization, which challenges land uses in this hyper-capitalization time, provide an illustration of the Milanese planning system, outline the interactions between planning, politics and finance, and present the case analysis of MIND and a discussion of its findings. In conclusion, this contribution remarks how such projects are used as levers to pursue polycentrism by challenging the 'raison d'être' of statutory planning in overseeing the city's urban growth instead of just enabling land value extraction, expansion and densification. Overall, the article argues that financialization has undermined redistribution of wealth through spatial planning, and this role has shifted to the major property corporations.

Keywords: deterritorialization, financialization, urban development, major projects, Milano

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Introduction to financialization and deterritorialization

The concept of 'financialization' has obscure origins (Nobanee et al., 2023), even though its use has been massively spread in academic literature since the end of the 1990s (Aalbers, 2019). During the last four decades, the 'financialization of the economy' (Epstein, 2005) led to structural changes in agglomeration economies, which increasingly accumulated land capital assembled by major cities (Camagni, 2016). According to Aalbers (2019, p. 4), "financialization" can be defined as the increasing dominance of financial actors, markets, practices, measurements, and narratives, at various scales, resulting in a structural transformation of economies, firms (including financial institutions), states, and households'.

In spatial terms, land financialization coincides to the transformation of real estate assets into tradable financial goods (Harvey, 2005; Gotham, 2012; Kaika & Ruggiero, 2016; van Loon & Aalbers, 2017) and it is intertwined with the 'deterritorialization', sometimes called 'decontextualization' (Savini & Aabers, 2016), which corresponds to the mobilization and reterritorialized of land capital to generate urban rent elsewhere.

The concept of deterritorialization was firstly introduced by Deleuze & Guattari (1972) to describe the territorial disjunction of social, cultural, and economic structures in the evolution of capitalism. Since the 1990s, geographers, sociologists and urbanists used this term to frame the obsolescence of spatial capital, planning and culture, as highlighted by Salet & Majoor (2005), Wood (2009) and Savini & Aalbers (2016) in urban regenerations placed in Amsterdam, Melbourne and Milan.

Within the current scenario of hyper-capitalization (Leyshon & Thrift, 2007), major urban development projects are framed as 'pipelines' to fuel the nexus between real estate and financial markets (Fainstein, 2008; Flyvbjerg, 2014; Savini & Aalbers, 2016), particularly by deterritorializing and reterritorializing the land-value capital and mobilizing and converting financial capital among liquid and illiquid assets (Cocco, 2007).

Financial strategies treating 'land as an asset' (Kaika & Ruggiero, 2016; Swyngedouw & Ward, 2022) became the 'keystone' for initiating and implementing complex territorial transformation processes in Milan. These processes entailed a profound 'disconnection' of actors, tools, and practices from the locales of 'financialized' large-scale projects. Such a 'disjunction', which can be classified as 'deterritorialization', is significantly intertwined with financialization and extends beyond real estate to encompass urban plans and projects, adapting corporate business plans into masterplans approved by local administrations.

In other words, by financial schemes to urban development, land financialization implies 'deterritorialism' (Medeiros et al., 2021). Through the category of 'deterritorialization', I refer to the practice of progressively abstracting and dematerializing land-use policy and spatial planning. Although such praxis reflects an 'approach under which bounded spaces are the objects of policymaking and planning' (Faludi, 2018: 123), seeing the process as positive to overcome national constraints (Medeiros et al., 2021; Capello et al., 2018; Agnew, 1994), this paper suggests that deterritorialization and financialization of major projects undermine the capacity of spatial planning to recapture land rent as planning gains, because of the involvement of local governments in such processes.

In this sense, as highlighted by Jessop (2016), the role of public bodies and governments have been progressively crucial to enable artificial dynamics of financialization and their application in the spatial planning of urban development (Yeşilbağ, 2019), mega-projects (Silver et al. 2020) and mega-events (Raco, 2014)

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Overall, financialization and deterritorialization shifted the conceptualization of major projects from a local and public-led perspective (Altshuler & Luberoft, 2003) to a global private-led one, as 'territorialities' transcendent from statutory planning, not guided by 'collective apparatus' (Foucault, 1984). Thus, such large-scale urban development projects are what Harvey's theory defined as 'innumerable points for the extraction of value and surplus value' (Harvey, 2005, p. 97). To some extent, financialization and deterritorialization seem to interact with spatial planning, urban policies, and strategic projects due to their role in shifting societal spatialization from political to economic and financial power (Foucault, 1982).

Within this global context, local financialized major projects, specifically in Milan, 'are seen as both tools to revitalise real estate markets and key arenas in which political and economic actors bargain' (Conte & Anselmi, 2022, p. 2). Milan is an emerging 'middle-range' metropolis marked by rapid globalization and financialization, largely driven by the development of multiple major projects spearheaded by various global developers.

This article seeks to critically examine one case study, the Milano Innovation District (MIND), focusing on one specific question: How do property financialization and deterritorialization interact with major projects? This study situates the deterritorialization of real estate assets and markets within the broader context of financialization, using MIND as a case to illustrate the shift toward abstract models of large-scale spatial planning and project financing.

To unveil the financialization and reterritorialization effects, this paper unfolds across five sections. First, it details the methodology and materials used in the analysis. Second, this contribution examines the Milanese planning system and its interactions among planning, politics and finance. Third, it analyzes the Milano Innovation District, emphasizing its relevance to this field of study. Fourth, the paper discusses and generalizes the findings of such analysis. In conclusion, this contribution remarks that the financialization and deterritorialization of major projects undermine the 'raison d'être' of statutory planning in overseeing the city's urban growth instead of just enabling land value extraction, expansion and densification (Raco et al., 2019).

Case methodology and selection

This research focuses on a single major project, serving as an exemplary case for analyzing financial and planning strategies that link the Milanese planning framework to the financialization of property practices in major operations. The discussion presented in this article is grounded in an empirical study of the MIND major project. This case can be contended as neither an anomaly nor an extreme example. Rather, an in-depth examination of the MIND mega-project reveals its parallels in formulation, implementation, and outcomes with other large-scale European developments driven by the valorization of public lands and assets. Despite Italy's overall limited level of real estate financialization (Mosciaro, 2021), Milan stands out as an exemption, and it is internationally relevant for at least three reasons. First, it is the historical headquarters for two of the largest capitalized European banks, Intesa San Paolo and UniCredit, linking North and South European economies. Second, without being a capital city, it encapsulates 46% of the investments in the whole Italian real estate market (Banca d'Italia, 2023). Third, despite the European Central Bank's austerity measures, Milan is one of the few cases of European cities which have been massively penetrated by global institutional real estate investments (Modiano & Onado, 2023).

This analysis highlights the deterritorialization of urban development through financialized real estate mechanisms influencing urban development projects following two criteria. First, according to Dente et al. (1990), these projects can be interpreted as urban policies themselves. Second, the impact of financialization on the built environment is better framed as 'deterritorialization' rather than 'decontextualization' because, while most recent urban

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developments are decontextualized in terms of architecture and urban design, only some are activated and managed through deterritorialized methods underpinned by financial and non-spatial rationalities.

The methodology of this article is based on a rigorous and in-depth case analysis and generalization of the MIND mega-project. Such analysis was conducted through the desk study of business and planning documents, the review of academic literature and press reports, as well as through multiple semi-structured interviews with key actors from development, investment and law firms, municipal officials, experts, consultants, scholars and politicians involved in real estate. All these data were crucial to validate the case analysis and select sources.

The choice of MIND as a case study stems from its significance among large-scale development projects currently underway in Milan. Specifically, MIND was selected for its relevance and representativeness in planning traditions, cultural contexts, and objectives, mirroring other European experiences. Additionally, the case reflects a variety of territorial governance arrangements, institutional frameworks, and planning methods present in the site's development, as well as diverse representations of planning intentions pursued by Lendlease, the principal property developer.

The nexus between planning and finance in Milan

The future of large public and private areas (former railway yards, industrial sites, agricultural lands) dominated academic debate in the early 2000s, particularly concerning the design and planning of peri-urban contexts. These brownfields increasingly exhibited a decontextualization of language and functions (Salet & Gualini, 2007; Salet, 2008; Fainstein, 2008). Similarly, this discourse spurred scholars and practitioners to explore the 'strategic dimension' of these areas within urban policy frameworks already grappling with significant governance challenges in major European urban agglomerations (Rogers, 1999; Albrechts et al., 2003; Mazza, 2007).

I argue that a crucial yet missing element in this discussion is the overlooked analysis of the real estate financialization of urban development projects—that is, as mentioned above, treating these real estate assets as financial products (Epstein, 2005; Gotham, 2012; van Loon & Aalbers, 2017; Aalbers, 2019; Aalbers, 2020). As recent studies on Milan's Pirelli and Falck industrial areas reveal (Kaika & Ruggiero, 2016; Savini & Aalbers, 2016), it was precisely the financialization of real estate, transforming land value into financial value—that 'unlocked' the urban regeneration of these large areas.

Mega-events always play a crucial role in stimulating the financialization of major transformations by mobilizing massive public investments both following logics of State dirigisme (Müller, 2011) and market-led facilitation (Hiller, 2006). In particular, the Olympics have historically accelerated urban developments (Essex & Chalkey, 2010; Müller, 2015), but the following case shows that Expos can also produce similar impacts.

In the past two decades, Milan's urban policies have undergone structural shifts toward 'financialized' territorial planning, emphasizing the demarcation and alienation of large projects—massive 'enclosures' where rents could be efficiently extracted and commercialized. Numerous international authors have argued that financialization is intrinsic to public-private partnerships and joint ventures that develop and regenerate such areas (Fainstein, 2016; Savini & Aalbers, 2016; van Loon et al., 2019; Aalbers, 2020). They illustrate how real estate finance 'shapes' planning systems and tools, as well as the urban policies deploying them, through corporate financing schemes and risk-return models driving business plan decisions.

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Operators focus particularly on the types of funds dedicated to Special-Purpose Vehicles (SPVs) enabling multiple financialization strategies for large projects. These include securitizing real estate assets through closed-end funds or trading equity via mutual funds or trusts. In the case of trusts, or publicly traded real estate companies, properties are bundled into equity packages traded on financial markets. Similar processes occur in mutual funds, which may also encompass portfolios represented by closed-end funds capable of securitizing specific property groups or adjusting liquidity through asset sales/acquisitions (Borghi, 2009).

The outcome of such practices is an 'insular vision' of major urban transformations. As seen in the cases of Porta Nuova-Garibaldi (Anselmi & Vicari, 2020), the former Pirelli-Bicocca area (Kaika & Ruggiero, 2016), or the former Falck site in Sesto San Giovanni (Savini & Aalbers, 2016), these projects are detached from any unified strategic planning, despite past governance attempts like the 1999 Strategic Framework Document (Mazza, 2007). The powerful financialization of the planning system and its marked dependence on financial capital to produce urban development and regeneration (Raco & Brill, 2022), combined with weak differential rent recapture even where revenues reached approximately 50 % of investment value (Anselmi & Vicari, 2020), are common traits of recent major Milanese transformations. The MIND exemplifies these trends.

The property financialization of the Milano Innovation District

The MIND represents today one of the most significant urban transformations in the Italian and European landscape. Located on a site with a gross floor area of 1,044,102.00 m², MIND is an urban mega-project worth approximately €4.5 billion (Gervasoni et al., 2024), involving 480,000 m² of buildings to be constructed according to a territorial utilization index (UT) of 0.52 m²/m² (Comune di Milano et al., 2020). This will be achieved through advanced real estate financialization techniques capable of positioning this major project as the cornerstone for the densification of the 'Sempione Axis', intersecting with a strategic dimension that includes other metropolitan projects such as Cascina Merlata, Rho Fiera, Stephenson, and Bovisa's Goccia (Di Vita & Morandi, 2018; Armondi & Di Vita, 2018). The MIND operation is supported by a solid public-private partnership between the public company Arexpo (co-owned, among others, by the government, the Lombardy Region, and the Municipality of Milan) and the global developer Lendlease, originating from Australia (Figure 1).

Such a large-scale project is situated in a 'fenced' context that is far from straightforward, configured as a peri-urban enclave surrounded by railway and highway infrastructures, crossed by two irrigation ditches, and served by energy and water supply systems that were functional both to the Expo and, previously, to the Rho Fair (Botto & Di Vita, 2018). At the same time, inspired by other European innovation districts (Salet & Majoor, 2005), the narrative underpinning the MIND operation aims to create an international district for technology, innovation, and science, mobilizing local excellence on a global scale and leveraging the infrastructural investments left as a legacy by Expo 2015 through the financialization of the areas (Kaika & Ruggiero, 2016), in this case, repurposed after the mega-event. In this sense, the development of the Expo 2015 mega-event and the redevelopment of the MIND mega-project are two episodes connected by a long process of transformation and geostrategic repositioning of Milan, and they can be seen as two 'Siamese projects' (Gaeta & Di Vita, 2021).

The history of MIND (see Appendix 1) is thus intertwined with that of the Expo site, originally an agricultural area belonging to Cascina Triulza, itself owned by the Cabassi family, a Milanese real estate group. They managed the exhibition area and extensive contiguous or nearby plots (for example, the areas where the Poste Italiane mechanization center and the Bollate Prison are currently located) since the post-war period, amounting to about 920,000 m².

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At the beginning of the 2000s, with the creation of the new fair in Rho, Fondazione Milano Fiera acquired 520,000 m² of the area from Belgioiosa Srl, controlled by Bastogi & Brioschi Sviluppo Immobiliare and managed by Matteo and Marco Cabassi, who remained the owners of the remaining 260,000 m² (other plots were simultaneously sold to Poste Italiane, Ferrovie dello Stato, and the Ministry of Infrastructures). Despite the consortium formed by the Municipality of Milan, the Lombardy Region, and the Italian Government being awarded the mega-event already in 2008 and the site being designated for the event in the related Expo's Dossier, the development of the area remained frozen until the approval of the Program Agreement (AdP) in 2011. This was among the first acts of the new center-left administration of Mayor Giuliano Pisapia, which defined certain criteria, such as a territorial utilization index UT of 0.52 m²/m² and various functional criteria related to green spaces, later incorporated into the 2020 Integrated Intervention Program (PII) (Figure 2).

Shortly thereafter, the decision was also made to purchase the area through the public company Arexpo, which is still the owner of the site and is predominantly managed by the aforementioned public entities. However, by the end of the event, there was no legacy plan for the site's future. Additionally, a first pre-sale auction in 2014, with a base price of 315 million euros, failed to attract bidders. Following a subsequent political 'stalemate' that ended with the election of Giuseppe Sala, the former CEO of Expo 2015, as Mayor of Milan (Gaeta & Di Vita, 2021), and after nearly two years of inactivity with the risk of a massive urban planning failure, the site was relaunched through two actions initiated directly by the Central Government led by Matteo Renzi. These were the establishment of the Human Technopole research center as a catalyst for financial and human resources and the acquisition of 39.28% of Arexpo's shares by the Ministry of Economy and Finance (MEF) (Arexpo, 2016).

As part of this operation, the governance of the public company was restructured as follows: 39.28% to MEF, 21.05% to the Lombardy Region, 21.05% to the Municipality of Milan, 16.80% to Fondazione Fiera Milano, 1.21% to the Metropolitan City of Milan, and 0.61% to the Municipality of Rho. In this management framework, important decisions can only be made if a quorum of 71% of the share capital is reached (Arexpo, 2016). Meanwhile, the two main local stakeholders, the Municipality of Milan and the Lombardy Region, encouraged the San Donato Group and the University of Milan to relocate, respectively, the new IRCCS Galeazzi Hospital and a new UniMi campus to the Expo 2015 site (Figure 1).

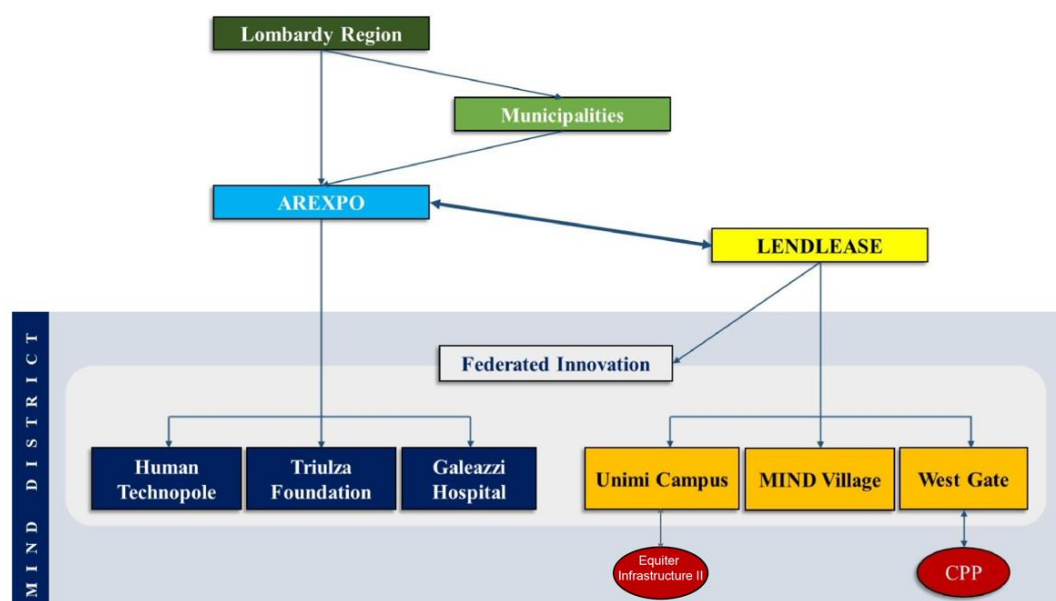


Figure 1. MIND governance (author's elaboration based on Gervasoni et al., 2024)

LEGEND

- Services (103.000 s.m.)
- Offices/Hospitality/Retail (305.000 s.m.)
- Laboratories/Production (30.000 s.m.)
- Residences (90.000 s.m.)
- Public Anchors (316.000 s.m.)
- Green spaces (433.000 s.m.)
- Water system (175.000 s.m.)



Figure 2. Integrated Intervention Program for MIND. Source: author

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This initial phase of corporate financialization of Arexpo's property restructured its governance through the sale of equity, laying the groundwork for the disposal of the site after the failure of the first auction. In other words, the combination of corporate restructuring and the programming of three new public anchors (Galeazzi Hospital, Human Technopole, and the University of Milan's Campus) attracted significant interest from international operators. This led Arexpo to organize a second 99-year concession tender (unlike the 2014 outright sale), conducted by invitation, which was won in 2017 by the Australian developer Lendlease, prevailing over the French real estate management and development group Stam Europe.

Between 2018 and 2020, Arexpo, along with Lendlease—one of the largest real estate developers globally, with an investment pipeline of 74.5 billion Australian dollars—collaborated on drafting the Integrated Intervention Program (PII) together with Carlo Ratti Associati, Systematica, and Land (Comune di Milano et al., 2020). The master plan incorporates the cardo-decumanus grid from the Expo site (Figure 1).

The concession and the PII entail the transfer of surface rights for 480,000 m² from Arexpo to Lendlease for a 99-year term, after which the area will become the property of the Australian giant. This is in exchange for a total fee of €671 million, spread over 99 years, and an estimated revenue of approximately €2.2 billion (Gervasoni et al., 2024).

In particular, the concession agreement maintains Arexpo as a landowner and supervisor of the site until 99-year period and grants construction and management rights to Lendlease. More specifically, the concession defines (Gervasoni et al., 2024):

1. An immediate grant of 250.000 m² and an additional one accessible upon the fulfilment of specific requirements, for a total of 480.000 m², plus 30.000 m² of social housing provision.
2. The total investment of 4.5 billion euros, of which 2.5 billion euros must be provided by Lendlease.
3. The total leasing fee of 671 million euros in nominal value terms is to be annually paid.
4. The main revenues for Lendlease will derive from the rent and sale of private offices and residences developed in the area targeted by surface rights.
5. Arexpo will bear the risks related to the urban and infrastructure authorization procedures—*planning risks*—while Lendlease will shoulder the industrial and financial risks—*enterprise risks*.

In other words, the financialization of the Expo area occurred both by 'unlocking' the conversion of the area and by deterritorializing its land value, which is externalized, nationalized, and globalized through the multiscalar sales/acquisitions of corporate shares and the involvement of multilevel actors, similarly to what has been done to support major projects in other contexts (Raco & Tasan-Kok, 2023).

Looking at the urban project by Carlo Ratti Associati, and the two subsequent masterplans signed by Allies & Morrison and Mario Cucinella Architects, it is clear that the strategy of financializing the area, which involves the establishment of two Special-Purpose Vehicles—one for the western sub-district, adjacent to the Rho Fair, called West Gate, and one for the eastern university sub-district, called Knowledge Hub—de facto implies the predominance of Lendlease's business plans over the aforementioned masterplans (Figure 2). Specifically, the development and construction of the buildings occur alongside the procurement of financial resources derived from the extraction and commercialization of assets through equity trading, built-to-rent schemes, or securitization. This process unlocks, in sequence from east to west, the 24 project plots *Stralci Funzionali* on which building permits are issued (Figure 3), as foreseen in the Integrated Intervention Program (PII), which adopts this financialized phasing (Comune di Milano et al., 2020).

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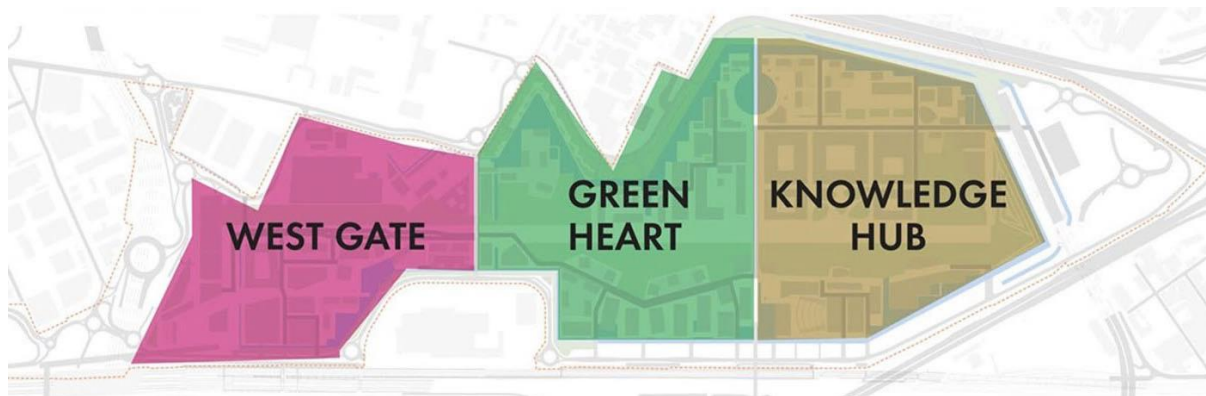


Figure 3. Subdistricts of MIND (Comune di Milano et al., 2020)

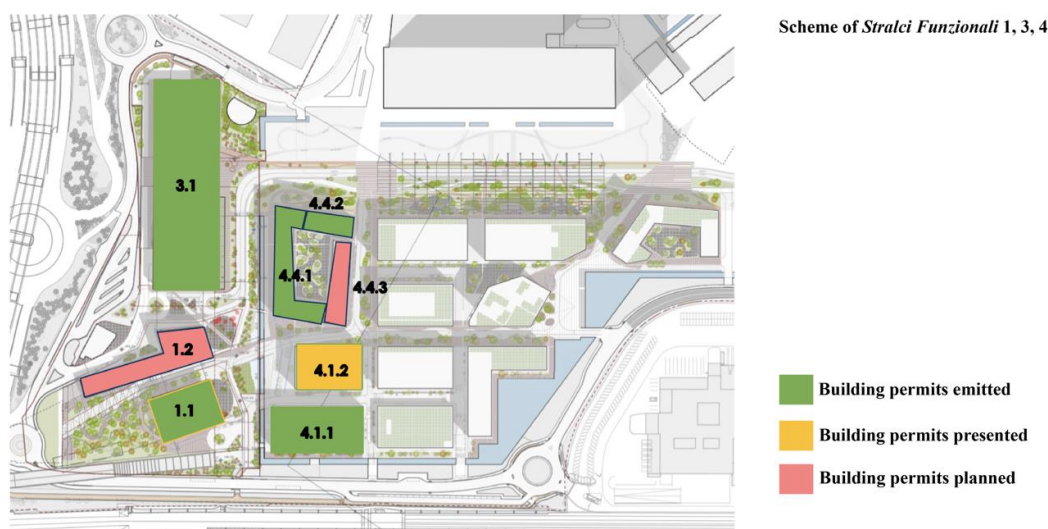


Figure 4. Phasing of building permits at West Gate subdistrict (Arexpo, 2022)

Finance and planning are deeply intertwined in the MIND case. Looking at the finance-driven micro-mechanisms of the MIND site development, it seems clear that the phasing of development from the plot contiguous to the Fiera Milano area towards Milano core city is financially driven. Particularly, the process follows two main criteria: the minimization of operational risks given by the fragmentation into *Stralci Funzionali* and the concentration of investments in the most densified and connected district (West Gate), through the joint venture with Canadian Pension Plan Investment Board, an institutional investor able to leverage and securitize millions of capitals (Figure. 1).

The long-term property financialization of MIND is represented by two components. Excluding the 'Green Heart' district, which encapsulates the Human Technopole and is supposed to be developed at the end of the phasing, the PII and the interviews confirmed that Lendlease is delivering one joint venture with the Canadian Pension Plan Investment Board¹ for realizing the 'West Gate' district. On the other hand, Lendlease established a public-private partnership with the University of Milano (UniMi) and other institutions for building the new UniMi campus in the 'Knowledge Hub' district. According to my inquiry, the site developments of Galeazzi

¹ Canadian Pension Plan and Lendlease collaborated through joint ventures in a few other large-scale projects, such as Elephant Park and Castle in London and the Barangaroo in Sydney.

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Hospital and Social Housing Residences were transferred to San Donato Group Real Estate and REAM Real Estate and alienated from the Lendlease business plan.

Regarding West Gate—almost 150,000 m² (of the total 450,000 m²) estimated at 2,5 billion euros value (of the total 4,5 billion euros)—Lendlease established the alternative (opportunistic) investment fund ‘Lendlease Renaissance I’ REIF as an Special-Purpose Vehicle managed by Lendlease for underpinning the joint venture with the Canadian Pension Plan REIT for a value of about 400 million euros of equity and a predicted ending value of about 800 million euros. Such 50:50 joint venture makes Canadian Pension Plan a co-investor of the Renaissance I REIF, and it was stipulated with the support of several legal firms which globally deal with real estate (Bonelli Erede, Chiomenti, Dentons, DLA Piper, PwC TLS, Rodi & Partners, EY, RP Legal & Tax).

Such an investment program affects only the West Gate subdistrict, 11 plots *Stralci Funzionali* for different *asset classes* destinations of use (office, retail, hotels, residential and ancillary spaces) and a total of 164'000 m² (Figure 3). Among the edifices realized in such plots, 10 of the major buildings will be securitized by the SPV. In 2022, the Municipality of Milano granted Lendlease and Arexpo by assigning them 5 building permits (Arexpo, 2022), and according to West Gate phasing, the construction started in 2024. The real estate financialization occurred in the West Gate built environment by grouping several parcels/plots of the *Stralci Funzionali*. These assets are securitized following the *in-line* desnification of the area from the Rho Station towards the Knowledge Hub.

Moreover, Lendlease established a Joint Venture with REAM Sgr Spa—a Turin-based property developer and manager funded by Compagnia di San Paolo Foundation—to provide about 30,000 m² of social housing residences and office units used by the university campus through the multi-division alternative REIF named ‘Cervino’. A similar process occurred, de facto, for the Galeazzi Hospital, even though, differently from the Social Housing Residentials provision, the Hospital’s plot was completely alienated from the MIND area to San Donato Group.

Regarding Knowledge Hub—210,000 m² (of the total 450,000 m²) estimated at 458.2 million euros value (Gervasoni et al., 2024 —Lendlease established an SPV as a Joint Venture with the Equiter Infrastructure II Fund managed by the investment company Equiter and the Swiss-Italian Ersel private bank with a capital capacity of 400 million euros. Such a joint venture is based on the public-private-partnership to develop and manage for roughly 31 years the new University of Milano (UniMi) Campus. Ersel is a leading private equity banking investor established in Turin in 1936 by the jeweller’s family Giubergia and merged with the bank Albertini Syz in 2022. On the other hand, Equiter is an investment company established in 1998 by San Paolo IMI bank (32,88 %) and participated by Compagnia di San Paolo (32,99 %), CRT Foundation (22,13 %) and CRC Foundation (12 %). The campus will host 23,000 people among students, researchers, professors, and academic staff and will be composed of 18,376 m² for teaching activities, 35,525 m² for laboratories, as well as 5,500 m² of ancillary spaces.

In 2019, Lendlease signed a *pre-sale agreement* with the University of Milano (which was among the actors of *Contratto Quadro*) to sell out the plot of 65,000 m² for 13 million euros that will host the new University of Milano campus. Consequently, in late 2022, the University of Milano signed a *project financing agreement* which confirmed the buying of the land and defined the academic contribution of almost 50 %. Such an investment is quantified in 201 million euros provided by the European Investment Bank and Cassa Depositi e Prestiti (within the InvestEU program), plus 23 million euros self-provided by UniMi. On the other hand, Lendlease is delivering an investment of 257.2million euros provided by loans and equities (Gervasoni et al., 2024). According to the *project financing agreement*, UniMi pays

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approximately 14 million euros per year to the SPV, combining construction, leasing, and services fees (including asset, property and facility management) (Gervasoni et al., 2023).

The construction of the UniMi campus, designed by Carlo Ratti Associati, the same planner of the MIND PII, started in 2023 and is underpinned by a public-private partnerships ruled through a concession of 30 years and 11 months with Lendlease. Following this concession, Lendlease is developing the campus by managing an SPV as a leading partner, enabling the Australian property company to pursue property financialization through equity exchange for receiving a Senior Project Finance Loan and VAT revolving facility and equity investment by quotaholders (Ersel as a key Equity Investor 80 %, Lendlease 17 %, Renco 2 % and Coopservice 1 %) (Gervasoni et al., 2024).

In the MIND operation, the programming of three important 'public anchors' (University, Technopole, and Hospital) has been crucial in ensuring Lendlease's 'full equity' strategy and its willingness to invest in this major project despite the lack of legacy and the need to capture institutional investments, which the presence of these functions facilitates. In this sense, the pro-growth approach (Pasqui, 2018) pursued by the Municipality of Milan in recent years has undoubtedly helped to create the conditions to easily align the objectives of deterritorialized and financialized global investment strategies of institutional investors (such as the Canadian Pension Plan) with the risk/reward parameters of real estate operations, maximizing revenues and minimizing the risks of the bonds issued by the associated special-purpose vehicles. Overall, the deconstruction, decontextualization and deterritorialization of actors, instruments and capitals represented the socio-spatial and economic essence of the MIND financialization.

Discussion: Major urban transformations, financialization and deterritorialization

The link between major urban transformations, real estate financialization, and the deterritorialization of areas has transformed urbanization dynamics according to a logic that heavily depends on the accumulation and commercialization of capital extracted from mega-projects (Altshuler & Luberoff, 2003). By conceiving strategic projects as urban policies (Salet, 2008; Haila, 2008; Lake, 2015), their financialization appears instrumental to fuel real estate markets, both financially and culturally (Briata & Raco, 2022). This financialization, in turn, exerts an increasing 'pressure' from land interests on local administrators, significantly limiting the radicality of reforms aimed at capturing land capital in European countries (Edwards, 2020).

The similarities in the financial and spatial techniques used to implement large-scale projects in Milan and other major European cities such as London (Raco & Brill, 2022), Amsterdam (Tasan-Kok & Ozogul, 2021), and Paris (Wijburg, 2019) are also evident, with urban planning systems increasingly reshaped by financialization. Indeed, as abroad, Milan uses 'transnational capital and large urban regeneration projects to promote its international reputation' (Conte & Anselmi, 2022, p. 2), conceiving major projects as 'catalysts of urban and political change' (Swyngedouw et al., 2002: 551) for the strengthening of local real estate markets and political arenas within global power configurations.

As shown by the case of MIND, urban policies (partially), and especially urban planning techniques and financial methods, are increasingly conditioned by the standardization of global real estate parameters, which in turn are reflected in local real estate markets where specialized real estate developers are emerging as key actors capable of representing the interests of large institutional and non-institutional investors, deterritorializing narratives, decisions, and capital-raising techniques (Cocco, 2007). The urban regeneration of MIND also demonstrates how large-scale design is increasingly shaped by the know-how held by real estate operators who manage large sets of data and operate with corporate structures capable of spatializing the financial techniques behind the deterritorialization of urban policies (and

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projects). This configuration has, paradoxically, made central, regional, and especially local governments more dependent on information provided by operators, making them capable of easily navigating regulations and building permits (Raco et al., 2019). Thus, any faint hint of rigidity in the zoning plans that have followed is systematically bypassed by the ability of business plans to adapt to the flexible context in which Milan's urban planning operates. This 'flexibility' is now a foundational trait of European urban planning (World Bank, 2020) and represents a powerful enabler of both financialization and deterritorialization of areas.

The direct consequence is a planning practice based on projects disjunct from the statutory plan and enabled by ad hoc tools, such as MIND's PII, which guide a paradigm of a deterritorialized and financialized city (Tasan-Kok & Ozogul, 2021). Therefore, the governance of the planning system reshapes every five years with the revision of the plan, often based on the 'appetite' of real estate developers and their investors, selecting the sites most suited for large-scale financialization operations that define such projects (Colenutt et al., 2015; Chiapello, 2015).

Conclusions

Real estate financialization today has a stronger impact in determining spatial aspects and time phases of urban development (Lake, 2015; Savini & Aalbers, 2016; Raco & Tasan-Kok, 2023). To some extent, deterritorialization is the consequence of the difficulties of governing real estate finance' gains of major projects through urban planning (Wood, 2009). Considering its obscure nature, financialization can be seen as a frontier research topic and, from an early career scholar perspective, investigating its implications enabled me to frame the power relations between space and finance.

The boundary conditions, both constitutive and intrinsic to the financialization of major projects, have overall reduced the statutory planning power of municipalities, regions, and the State in executing such projects. In other words, large-scale urban projects are 'packaged' as vehicles to capitalize on the real estate industry, markets, and investments. This highly extractive dynamic is reflected in the 'insular spatialization' of these places. Therefore, it is not only large areas that are alienated, but also decisions, tools, and actors, facilitating the influence of international operators capable of handling significant capital with high returns (Raco & Tasan-Kok, 2023), whose objectives are increasingly dissociated (deterritorializing them) from those of the local economies and actors (Savini & Aalbers, 2016).

As pointed out above, the State exercises a crucial role in enabling financialization and deterritorialization. Its pro-market approach is intertwined with policy frames configured over the 1990s aiming to 'hollowing out' (Jessop, 1990; Jessop, 2016) the government bodies of regulative goals and tools able to control capitalistic markets and structures (Alami & Dixon, 2021). All these processes are present in the MIND area, a large enclosure within which the strategic planning and public intervention once mobilized for national projects like this one have been sidelined to privatize one of the most significant urban regenerations in Europe.

Financialization and deterritorialization dynamics have characterized urban planning practices (Aalbers, 2019) alongside the growing complexity of land investment strategies and the rise of market-driven real estate operations, bringing significant changes to the ethics that once guided planning principles (Briata & Raco, 2022). Although urban planning continues to maintain a key role in territorial policies for land use, the deterritorialization and financialization of major projects has disconnected these spatial interventions from the statutory planning 'raison d'être'. Following this discourse, the ascent of such phenomena has negatively impacted the capture and redistribution of the land value extracted from large-scale urban development projects. Particularly, such circumstances determined low urbanization charges (Camagni, 2016) by weakening planning, which is the main lever for redistributing urban rent and territorial wealth (Raco & Tasan-Kok, 2023).

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To conclude, future research can probe whether the financialization and deterritorialization of urban development increase real estate profits in the districts surrounding major projects and call for a revamp of the State's role in governing such processes.

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Appendix 2. Timeline of Expo-MIND site development

Year	Condition/Event	Landowner(s) and manager(s)
1950s–2002	Greenfield with breeding farm	Cabassi Family
2002	Fiera Milano buys 52 hectares from the Cabassi Family	Cabassi Family
2002–2005	Fiera Milano builds the new fair centre / Multiple land expropriations	Fiera Milano/Cabassi Family
2004	Breeding farm activities are suspended	Fiera Milano/Cabassi Family
2006	Fiera Milano, Belgioiosa and 5+1AA presented a PII proposal	Fiera Milano/Cabassi Family
2007	The Expo-MIND site is included in the Expo 2015 candidature dossier	Fiera Milano/Cabassi Family
2008	Milano is selected to host Expo 2015; Expo 2015 company is established	Fiera Milano/Cabassi Family
2010	Approval of the PGT Variant	Fiera Milano/Cabassi Family
2011	Approval of the AdP; Arexpo company is established	Arexpo
2012	Accordo Quadro Expo 2015	Arexpo
2013	Giuseppe Sala appointed as CEO	Arexpo
2013–2015	Realization of pavilions and infrastructural works	Arexpo
2014	Failure of the first auction to pre-sale the Expo-MIND area	Arexpo
2015	1/05 – 31/10 Expo 2015 mega-event	Arexpo
2016	The Italian Government delivers two propulsive policies: MEF acquires 39 % of Arexpo shares while the Presidency of Council of Ministers launches the Human Technopole project	Arexpo
2017	Lendlease won the second auction to lease and manage the Expo-MIND area	Arexpo
2018	Framework Contract among Lendlease, Arexpo, HT, Galeazzi Hospital, University of Milano / Lendlease, Arexpo and Carlo Ratti Associati present the PII MIND proposal	Arexpo/Lendlease
2019	Construction of IRCCS Galeazzi Hospital / Project competition, refurbishment, and expansion of HT	Arexpo/Lendlease
2020	PII MIND approved	Arexpo/Lendlease
2022	Opening of IRCCS Galeazzi Hospital	Arexpo/Lendlease
2023–ongoing	Construction of the University of Milano campus / Arexpo enabled as a national property developer	Arexpo/Lendlease
2024–ongoing	Construction of West Gate subdistrict	Arexpo/Lendlease