In 1969, Dariush Mehrjui’s *Gaav* (*The Cow*), heralded the birth of a new kind of cinema in Iran, one which was rooted in realism and showed life as it is. This cinematic movement, which has come to be known as the Iranian New Wave, is a sharp contrast to mainstream Iranian cinema, employing simple storylines and focusing on life in Iran, particularly on people who are less privileged. Following the Islamic Revolution in Iran in 1979, Iranian New Wave cinema has faced many challenges due to censorship, but has also seen a period of revival. As a result of censorship imposed by the Islamic government, filmmakers have had to work within tight frames and have had to find their own unique modes of expression. One of the most important products of Iranian New Wave is the second generation filmmaker Majid Majidi. Majidi’s *Children of Heaven*, (1997) became the first Iranian film ever to be nominated for the Academy Awards (in the Best Foreign Language Film category). Majidi has made numerous films centered on children, Afghan refugees, blindness, and poverty. Location plays a very important role in Majidi’s films, making strong comments on economic, social and personal situations in his stories. Tehran, the capital of Iran, features in many of Majidi’s films, becoming the representation of a society in flux. We examine contrast in constantly changing Tehran in two of Majid Majidi’s films, *Bacheha-ye-Aseman* (1997) and *Baran* (2001). As the capital of a country that has seen various political changes for more than half a century now, Tehran is replete with contrasts and change. Economic contrasts are well represented in *Bacheha-ye-Aseman* (1997) where the parents of the poor protagonists have not been able to afford the rent for five months for their small room in Southern Tehran. In *Baran* (2001), Tehran is the workplace and temporary home of the protagonist Lateef. Though Majidi has had to carefully weave his stories around government censorship, the use of location as an indication of socio-political changes is a strong manner in which he expresses himself and his country through the medium of film.