

**Lima's culture cam**Hi-tech plan to clean up Peru's capital  
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Tourist cash has been used to renovate Havana streets. Below, a Che Guevara poster  
Photograph: Elizabeth Pollaert Smith/Getty Images

# Hotspot Havana: Americans left to drool as developers prepare for invasion of tourists

Embargo means US firms cannot join rush to invest after property law changes

**Oliver Wainwright** Havana

In central Havana's Parque Fe del Valle is a glimpse of a very different Cuba. Every bench, wall, dustbin and plant pot in this tree-lined square is occupied by someone hunched over a laptop or smartphone.

Three generations of one family are gathered around a phone, the children fighting over the headphones while their granny holds a baby up to the camera – so that relatives in Miami can see the new arrival. Nearby, two brothers scroll through Facebook to check the latest inquiries for their bed-and-breakfast business, while teenage girls stream music and practise dance moves.

This lively scene is the result of a new phenomenon in Cuba: Wi-Fi hotspots. In a country where the internet is still forbidden in private homes and an hour checking emails at an internet cafe can cost nearly a week's wages, the arrival of five designated Wi-Fi zones in Havana has been nothing short of revolutionary.

These sprawling open-air internet lounges have also spawned a new informal economy. Wi-Fi touts wander the streets like drug-pushers, reselling the state telecom company's prepaid \$2 scratch-off cards for \$3 apiece. Snack stalls and drinks stands have sprung up to fuel the spontaneous street-corner parties, where people gather to watch the Hollywood trailers on YouTube.

"We are seeing a whole new quality of public space," says Miguel Antonio Padrón Lotti, a Cuban professor of urban planning. "Cubans have always socialised on the streets, but now we can interact with the wider world."

The wider world is arriving here in ever bigger droves, and not just through the internet. On the cobbled streets of Habana Vieja, the beautifully restored old town, it can now be hard to move for the throngs of tour groups.

Not long ago, all this was crumbling. The improbable transformation is the work of the office of the city historian, a vast state department of architects and planners headed by Eusebio Leal Spengler since 1981. In the early 1990s, Leal

persuaded Fidel Castro to set up a state-owned tourism enterprise, Habaguanex, charged with developing hotels, restaurants and shops. Crucially, it would plough the profits back into restoring Havana's derelict buildings and streets, as well as seeding social projects and community facilities. It was a canny model of capitalist tactics deployed for socialist ends, which has seen Leal's office channel more than half a billion dollars into the old town. The company now controls 20 hotels, 40 restaurants and 50 bars and cafes, as well as dozens of high-end boutiques.

But outside the tourist circuit of the four main plazas, two-thirds of the old town remains in a perilous state. Look beyond the polished stage-set facades, and you'll still find families living several generations to a room in buildings that are in danger of collapsing.

Although half of the profits of Habaguanex are ploughed into health clinics, schools, libraries and old people's centres – the renovations have exaggerated the divisions between the scrubbed-up and the squalid. Many former residents of these grand historic buildings have been rehoused far away from the centre, with more to be displaced as the pressure to accommodate visitors rises.

One local cafe owner now travels two hours a day to get into work. But he has mixed feelings about the consequences. "The tourists might be pushing us further away," he says, "but they're also bringing in money that the city desperately needs. And our building was about to fall down anyway."

As part of the growing restaurant industry, he benefits from being paid in the currency that foreigners have to use – the convertible peso, or CUC – which, pegged to the US dollar, is 25 times more valuable than the local currency, the Cuban peso (CUP). It is a gulf that has created two classes of citizens in this land of equals: those with access to hard currency, and those without.

More than 3 million tourists came to Cuba last year, boosted by a sharp increase in the number of US visitors, which has surged by 40% since Obama ushered in a thaw in diplomatic relations at the end of 2014. American citizens are officially still forbidden to travel here for the sole purpose of tourism, but the sanctioned categories of travelling to "support the Cuban peo-

ple" and for "people-to-people activities" are vague enough to allow tour operators to thrive. American cruise-ship group Carnival is planning to bring "culturally themed" cruises here from May, making it the first such cruise company to visit Cuba since the 1960 trade embargo. According to the IMF, an end to the embargo could see 10 million US tourists a year – an influx for which the creaking Havana is far from prepared.

"The infrastructure just isn't there to cope with such numbers," says Belmont Freeman, a Cuban-American architect based in New York. "The city is woefully underserved for hotels and even if more were built, the services couldn't supply them. The mains water system hasn't been improved since the 1920s – it still loses about 50% through leakage."

Not that this seems to be standing in the way of hotel developers. On the eastern side of Parque Central stands the stately frontage of the Manzanera de

Gómez building, built as Cuba's first shopping mall in 1910. Now entirely stripped out, it stands as a windowless shell, to emerge as the five-star Kempinski hotel later this year.

Further north, near the beach resort of Varadero, British property developer London & Regional has unveiled plans for The Carbonera Club, a \$500m luxury development of 1,000 Conran-designed residences arranged around an 18-hole golf course. Taking advantage of a recent relaxation of regulations, it will allow foreigners to own beachfront property for the first time. US chains such as Marriott and Hilton stand drooling from 100 miles across the Straits of Florida, waiting for the embargo to end.

"I give it two years, max," says Freeman. "It will be US business interests that push Congress into lifting the embargo – they're all going crazy being shut out of this market."

US architects and developers are queuing up to pounce on investment opportunities when the embargo goes. Frank Gehry sailed into Havana in December to "offer his expertise to Cuba", according to a government statement. "You know that Cuba is at the centre of attention of many people," Gehry told the gathered crowd. "And in the immediate future it will attract many investors – particularly the tourism sector. But I am sure that you know to be careful with those projects."

**'I give it two years, max ... [US business interests] are all going crazy being shut out of this market'**

**Belmont Freeman, architect**



Many eyes are focused on the Bay of Havana itself, once the source of the city's immense wealth and now the place from which investors are hoping to extract an even bigger bounty. With the opening of a new \$900m port 30 miles west of Havana at Mariel – built with Brazilian help – the old harbour represents the next major development opportunity.

At the other end of the scale, there are signs of a new kind of property development. Recent changes to property laws that allow Cubans to buy and sell their homes for the first time in years, paired with a relaxation of US rules on the amount of money Cuban-Americans can send to their families back home, have spawned a mini industry of independent property renovation. Families with access to cash from overseas are doing up crumbling buildings and letting them out as holiday rentals or selling them – creating a new wealthy class.

It is a change in legislation that foreign companies have been quick to pounce on. José Antonio Choy López, a Cuban architect, is renovating a building on the waterfront that his family owns, converting it into holiday flats using funds from Cuba Real Tours – one of a growing number of companies developing boutique holiday lets. "We have invested a huge amount in this project," says company director Patrick Fries, "but it's incredibly risky as we don't actually own the building."

They have also encountered the chief difficulty of building in Cuba: the dearth of materials. Glass is not produced on the island, so each window is imported. But such obstacles haven't limited the aspirations of would-be developers. Freeman describes an "eye-popping" day he spent with one of Havana's fledgling estate agents, touring spectacular 1950s houses that had been fixed up lavishly and are offered for up to \$800,000, even though no one knows how much anything is really worth: there are no benchmarks and no mortgage industry.

People stand at the end of Paseo del Prado with handwritten signs around their necks, displaying faded photos of apartments for sale, and listings in exercise books.

It is one of the many strange scenes in Havana of micro-capitalism at work – which clearly will not be micro for much longer.