

## **Co-evolution of Cuba's International Mobility and Migration Regime and Havana's Housing Market. Micro-networks of Informal Transnational Housing Investment.**

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### **Introduction**

In 2011 the Cuban government launched a package socioeconomic reforms as part of a process of structural update of the Cuban socialism model. Two swiftly implemented changes stand out for affecting significantly wide sectors of the population: the legalization of the free sale of houses, banned since the Urban Reform Law of 1960; and an unprecedented liberalization of the international mobility and migration regime. We assert they stand out in terms of the proportion of the population affected because over 80% of housing in Cuba is owner-occupied; while travel and migration, setting aside financial limitations, are activities that may potentially involve any citizen, especially in a country which is a net sender since 1960. IdA's Havana workshop thematic and conceptual agenda around the transnational mobilities that cut across the production of urban space in the Cuban capital, constitutes an ideal opportunity to reflect on how these simultaneous reforms in the realms of housing and mobility & migration have converged to reconfigure the city socio-spatially.

The arguments herein proposed are partially supported by preliminary qualitative fieldwork results obtained in the summer of 2022 in Havana as part of the PhD research project "The Making of Havana's Property Market," initiated in 2020. Therefore, we address the role of transformations in Cuba's transnational sphere in the material and socio-spatial production of the city from the perspective of Havana's housing market.

Several studies of and around Havana's housing market to date reiterate that, in the absence of a local housing finance system (mortgage or other bank and non-bank based loans)<sup>1</sup> and in a context characterized by low levels of private capital accumulation and depressed real wages in the state sector, the property market legalized in 2011 depends almost entirely on extra-local capital paid in lump sums, in convertible currencies, with little or no financial intermediation (Wijburg et al. 2021: 1369-1377; Bartolomei et al. 2019: 21, 2022: 2; Jolivet and Alba-Carmichael 2021: 251, 253, 262, 268, 269, García Pleyán 2020: 138, 141, 143). Therefore, regulatory and other changes that have been multiplying, expanding, accelerating and densifying Cuba's transnational pathways, flows and networks since the mid-1990s, but especially since the launching of the said structural reforms in 2011, have been essential to sustaining and reinforcing that dependence, inasmuch as they have encouraged and enabled the penetration of extra-local actors and capital.

In line with the above, we seek to explain how the expansion of international mobility from and to Cuba is correlated with Havana's housing market's extraverted nature, as well as with the resulting socio-spatial reconfiguration of the city. To do so, we identify some of the

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<sup>1</sup> There are micro-credits and subsidies available from the state bank system but they are vastly insufficient to buy a house and are mostly used for repairs. The obtention of the loan/subsidy and their investment in construction materials remains has been documented as time-consuming and difficult (Mesa-Lago, 2018: 91)

most important regulations as well as geopolitical conjunctures that brought about the multiplication of transnational flows directly related to the mobilization of the housing market since the mid-1990s. We briefly refer to the previous period of state-socialism (1959-1989/1993<sup>2</sup>), to illustrate by way of contrast the magnitude of the changes that followed. We then look into fifteen cases of housing investment to illustrate how these two realms correlate, paying special attention to the transnational micro networks and pathways that enable and structure informal transnational investment in housing. As such, the text is structured as follows: conceptual clarification (I), historical account of the co-evolution of housing commodification and the mobility and migration regime, divided into three subsections corresponding to three periods (II); empirical section (III); and analysis and conclusions (IV).

-I-

### **Conceptual clarification: transnational and extraversion**

**Transnationalism** is herein used, roughly in agreement with seminal and classic definitions as “goal-oriented initiatives that require coordination across national borders by members of civil society” (Alejandro Portes in Tedeschi et al., 2022: 606); and as the consciousness and experiences of migrants “whose networks, activities and patterns of life encompass both their host and home societies” (Glick-Schiller, Basch, Blanc-Szanton, 1992: 27). Unlike in *international*, where the cross border relation between A and B is a component of the whole constituted by A’s relations with everyone (applicable to national states and formal institutions), *transnational* emphasises the social adjacency of national spaces created by cross-border practices from below. We also lean towards “broad transnationalism”, which accommodates weak and sporadic cross-border relations but retains the core trait that there must be some iteration and meaningful cross-border impact. For example, in the case of an absentee foreign investor-owner-landlord with no history of links to the country and keeping present links minimal, ownership and rent-extraction already generate a transnational field; which in contexts such as the Cuban housing market, characterized by informality, would tend to be stronger given the importance of social capital for the materialization of investment.

The most important use of transnational in this study is when it qualifies the micro networks used as empirical material to illustrate the co-evolution of the mobility and migration regime and the housing market. These networks span a range of intense and less intense transnational activities and subjects. For instance, a highly mobile Cuban who has worked and studied for months to a year in two different countries in a period of 10 years and used savings from these academic and labour migration stints to buy a house does not generate the same mode and measure of cross-border connectedness as an expat whose professional, economic and family life has been consistently split between Cuba and Europe for over twenty years. Yet, in both cases, housing investment and use is closely linked to these persons’ cross-border activities, from the accruing of capital to the intentions and opportunities to extract rent from housing.

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<sup>2</sup> Most literature locates the start of the post-Soviet period in 1989 attending to changes in the USSR and the socialist bloc; but 1993 is an equally good date for Cuba, as it is the year where momentous measures with long term impact were taken; e.g. the dollarization of the domestic economy.

As for **extraversion**, we borrow the term from a study of the Cambodian capital's condominium market (Fauveaud, 2020), which the author also classes as "foreignized". With both terms he refers to the fact that Phnom Penh's housing market is largely structured around the inflows and outflows of foreign capital, mostly from Asian investors, both corporative and individual (Idem: 666, 669, 672). Because in the case of Havana's market Cuban migrants are very if not the most important actors, we prefer the more neutral "extraversion" to refer to the fact that the majority of the capital originates outside Cuba and that many investors are themselves also extra-local (migrants, expats and foreigners), or are embedded in transnational networks (e.g. work for foreign company in Havana) that facilitate investment. We do not address extraversion in the sense of outflowing profits.

-II-

### **Mobility, migration and aspects of the housing sector during 'state-socialism'/ the Soviet-subsidies period (1960-1989/1993)**

Since early 1960s until the start of the socialist bloc collapse in 1989, Cuba's cross-border mobility and migration regime was very similar to that of other socialist countries with the state as the main provider and administrator of travel opportunities (Burrell and Horschelmann, 2014: 1, 2, 11). These revolved mainly around international collaboration missions, study abroad and technical training, in the socialist bloc countries and in countries of the now called Global South (Pérez Paneca, 2021: 101). Individually planned travel for personal reasons was uncommon as regulation was quite stringent: exit and entrance permits as well as limited periods for stays abroad (30 days) were established since 1959 and 1961 and ratified by subsequent regulation over the next three decades. Resolution 454 and Law 989, both of 1961 created the figure of the definitive emigrant and attached to this status the confiscation of property, including houses and their contents. The Immigration Law 1312 of 1976, in effect until 2012, overall maintained this state of things. (Cobas Cobiella, 2017: 162; Pérez Paneca, 2021; Odriozola Guitart et al., 2020). Briefly put, this is a period characterized by the cancellation of circular migration, the bitter politization of emigration in Cold War circumstances, and by tense relations between the Cuban state and its diasporas, especially with the one settled in the U.S. (Blanco et al. 2011). On the other hand, during the first three decades of the Revolution, Cuba's inflows of foreign population originated mostly from bilateral governmental agreements within the new international relations geography drawn by the Revolution's political and economic alliances: the socialist bloc and the global south countries of the Non-Aligned Movement. This population concentrated in specific institutional contexts such as educational institutions, research centers, the military, diplomatic missions and factories.

In the realm of housing, the main impact of the Revolution's transnational sphere consisted in the partial adoption of Soviet and socialist bloc public housing construction policies, design and technology, as well as of some distributive mechanisms (Scarpaci, Segre and Coyula, 2002: 213-220). As for the core traits of this period's housing system, the 1960 Urban Reform de-commodified housing entirely by abolishing almost any manner in which the exchange value of houses and urban land could be realized (renting, buying and selling, mortgages, multi-property ownership and foreign ownership); while adopting -contra trends in socialist countries- individualized ownership as the main tenure arrangement (Consejo de

Ministros, 1960; Hamberg, 1994:119, 122 ). However, a submerged quasi market slowly emerged as the legal subterfuge of house swaps and donations began to be used to exchange houses of non-equivalent value (Núñez, 2008). This involved material compensation which eventually became monetary. This submerged transactions were a strictly local phenomenon with local actors and capital. Although profiteering, speculation and attempts at concentration were not uncommon (Idem), housing exchange was basically motivated by residential mobility needs, and property concentration remained effectively hampered by existing regulation. This scenario would change significantly during the first post-Soviet period, since the mid-1990s; not due to a liberalization of housing exchange rules, but mostly due to the transformation of the island's international relations sphere and transnational flows landscape.

### **Cuba's post-Soviet transnational sphere and the submerged housing market (Mid 1990s – 2011)**

In the mid-1990s, Cuba's submerged housing quasi market mutated due to three main reasons: the dollarization of the economy, the development of tourism as the main economic survival strategy, and the transformation of Cuba's international sphere, mostly as a result of the government's attempts to reposition the island in the global economy and in selected international institutional circuits.

Given the urgency to capture foreign exchange, in 1993 remittance reception and dollar circulation were allowed and a network of state-owned shops and exchange offices was set up to capture them. Almost immediately the submerged housing market dollarized (Núñez, 2008: 6). Housing, 85% of which was owner-occupied (Peters, 2014: 6), began to be contemplated by households as an asset that could be mobilized to alleviate a harsh consumption scenario characterized by the said dollarization in a context of very inequal access to remittance and other sources of convertible currency, and of collapsing real wages (Mesa Lago, 2014: 58); also to fund illegal migration. In parallel to this, the mobility rules for both resident and diasporic Cubans were relaxed: an intermittent, piecemeal process, but with meaningful enough effects to create a very different travel and migration landscape from the preceding one. For example, in 1995 the five year waiting penalty for migrants to visit the country was lifted, the 30-day period for stays abroad was extended to 11 months, and Cubans married to foreigners and residing abroad no longer had to request an entrance permit. The official discourse on emigration and diaspora became more conciliatory, technocratic and depoliticized, and by the 2000s emigration became relatively normalized (Pérez Paneca, 2021: 102-103; Aja Díaz, 2002:21). Moreover, the post-Soviet migratory waves towards the U.S., unlike previous ones, have consistently shown a willingness to engage with the island and favour the improvement of diplomatic relations between the two countries (Grenier, 2017: 8-9, with data 1997-2016).

The passing of the first FDI law in 1995 and the promotion of joint ventures and tourism, the search for new international markets and the opening up to international institutional spaces, brought a much more numerous as well as geographically and socially diverse foreign population to Havana. Gradually, various types of relationships between Cubans and resident or visiting foreigners (transactional, labour-related, affective), previously almost taboo, normalized, and the repertoire of possible transnational micro-networks widened.

Additionally, by the mid-2000s, especially since several left leaning Latin-American parties rose to power, Cuba's professional (health) services export to the Global South boomed (Blue, 2013: 43-44) and thousands of doctors, educators, sport coaches etc. gained access to salaries in convertible currency during collaboration missions (Idem: 49-52). In 2008 a Spanish law and the Cuban state's de facto tolerance of dual citizenship,<sup>3</sup> enabled thousands of third and fourth generation Cuban descendants of Spanish migrants to obtain Spanish citizenship, providing them with an enviable international mobility potential (Sánchez and Cuesta, 2017). To summarize, this period saw the emergence of various population groups with access to convertible currency and more international mobility. These newly (potentially) mobile Cubans, in combination (often in association) with the increased and diversified foreign population, created a heterogeneous segment of demand that heated the dollarized illegal market.

In the realm of regulation affecting the housing system, in 1995 and 1997, the state allowed setting up family restaurants and B&Bs for tourists, the so called *paladares* and *casas particulares*, (Henken and Ritter, 2020: 447, 448), which re-instated urban rent extraction after a three-decade ban. This reinforced the conceptualization of housing as a financial asset and incited early attempts to invest in the acquisition and repurposing of properties with certain physical and locational attributes in cities such as Havana, Varadero and Trinidad. The successful state-led regeneration of Old Havana's historic center initiated in 1993 and its partial tourism-oriented commercial re-functionalization (González and Páez, 2020; Volkening et al., 2019), further demonstrated for the emerging hospitality entrepreneurs the profitability of urban tourism rents as well as the symbolic, cultural, architectural and locational capital that could be monetized. The blueprint for housing-based tourism-oriented extraction of urban rents was established during this period, but adverse political views of its potential for private accumulation, and the resulting regulatory constraints kept it in check (Ritter and Henken, 2020: 337, 450, 451). The legislative changes and geopolitical conjunctures of the coming decade unlocked this accumulation strategy.

### **The perfect storm of 2012 - 2017: three reforms and one geopolitical conjuncture**

The legalization of the housing market in late 2011 with Decree-Law 288 (in effect since 2012), and the liberalization of cross-border mobility and emigration with the reform contained in Decree Law 302 of 2012 (in effect since 2013), worked in tandem to reinforce the housing market extraversion processes that had started with the piecemeal changes of the 1990s-2000s. Both laws converged on a point that unlocked the recently legalized market: they allowed resident Cuban homeowners to freely sell or transfer their houses at any point before migration, thus cancelling the main effects of Law 989 of 1961, Law 1312 of 1976 and a Joint Resolution of 1995<sup>4</sup> (Díaz Sotolongo, 2022, Odriozola Guitart et al., 2020; Aja Díaz et al., 2017). But also, crucially, Decree-Law 302 abolished the unpopular requirement of the exit permit; extended the time Cubans could stay abroad without being declared 'definitive emigrants' from 11 to 24 months; extended the time migrants could stay in the island from 60 to 90 days; and made migrant resettlement (*repatriation*) a much more widely available and

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<sup>3</sup> Later enshrined in the 2019 Constitution.

<sup>4</sup> This Resolution extended to ten years the time that had to pass between a house transfer and its previous owner's emigration, for the transfer to be valid. This was intended to deter sales disguised as swaps and donations meant to fund emigration (Rodríguez Montero and Toledo, 2016:117).

routinized procedure<sup>5</sup> (Ministerio de Justicia, 2012; Pérez Paneca, 2020; Idem). In sum, Decree-Law 302 constituted a veritable New Deal in the realm of mobility and migration, a paradigm and regime change, at the centre of which was a significant de-politization of emigration. This reform set the tone and paved the way for further liberalizing measures. For example, in 2018, the state abolished the passport ‘activation’ requirement for Cuban migrants (Pérez Paneca, 2020: 103); also, during the COVID-19 pandemic, the government issued an indefinite extension of the authorization to stay abroad for resident Cubans who found themselves outside the island and could not comply with the 24 months limit. That extension remains in place today (Cubaminrex, 2022) even if the epidemiologic and travel conditions that justified the measure have considerably improved. This may constitute an experiment towards further flexibilization of cross border mobility and migration, with new potential effects on the intersection between citizenship and property rights.

The housing and mobility reforms combined to restore for the first time in 51 years the possibility of circular and temporal migration patterns, especially because now resident Cubans could entertain flexible relocation plans (Guitart et al., 2020; Aja Díaz et al., 2017) that re-signify houses as an important variable in transnational lifestyles, given their role as spatial and existential anchor and as an asset. It is thus that Cuba joined, if still somewhat on the margins, a geography of mobility and circular / temporal migration in which much of the Global South had been participating for decades with significant effects on local economies, including on local housing markets via housing remittance and investment (see Krijnen, 2018; Zapata, 2018; Ortega, 2018; Obeng-Odoom, 2010; Boccagni and Pérez Murcia 2021).

The third reform that incentivized housing investment and mobilized Havana’s property market significantly was the legalization of the private sector and its political legitimization in the 6<sup>th</sup> Party Congress as a structural component of the reformed socialism to be pursued. It is thus that *paladares* ad *casas particulares* ceased to be the notoriously profitable islands of (dollarized) entrepreneurship they were in the 1990s and 2000s as they became institutionally absorbed by the gradual political and bureaucratic normalisation of the private provision of goods and services, which expanded to many more areas.

Importantly, the possibility to establish a wider range of small businesses (beauty parlours, discotheques, small shops, car-wash stations, print shops, gyms, repair workshops, and a wide range of specialized food and drink services, etc.) created a high demand for space that could only be satisfied through the repurposing of residential space in the absence of commercial real estate, which was owned entirely by the state and could not be rented out or built.<sup>6</sup> It is hypothesized that much seed capital for entrepreneurship is provided by Cuban migrants (Hansing and Orozco, 2014; WOLA 2022), and some of that capital has been invested in buying, renting and repurposing residential space, from garages, front porches and living rooms to entire properties

Finally, since early 2015 until late 2017, but with effects that could be felt well into 2018, an exceptional geopolitical conjuncture, the agreements between the R. Castro and B. Obama

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<sup>5</sup> From 2016 to 2021 nearly 49, 000 diasporic Cubans recovered Cuban residence rights (repatriated). This phenomenon peaked in 2018 with 14, 950 while 2021 saw only 395 cases. The Cuban American diaspora is the source of 66% of repatriation cases and the Spanish one of 12.3% (Bárcenas Alfonso et al., 2022: 7-8).

<sup>6</sup> This has changed since 2022 when the Ministry of Interior Trade issued guidelines for entrepreneurs to lease State-owned facilities (Cubadebate, 2022).

administrations, critically intensified housing investment and deepened the penetration of informal transnational investment (García Pleyán, 2020; Jolivet and Carmichael, 2022). The agreements multiplied in very concrete ways the transnational flows of people, goods and capital between the island and its largest and most influential diaspora, the Cuban American one (Bustamante, 2017); but, also, as importantly, they created a favourable environment of détente and normalisation that dissolved ‘Iron Curtain-like constructions of Cuba in the minds of migrants and foreigners (Idem), boosting their investment drive and confidence. This period, marked by increased remittance flows, the intense traffic created by several daily direct flights to the U.S. from nine provincial airport and a wave of American tourism, is referred to in Cuba as “the Obama era” (*la época de Obama*), highlighting the unprecedented horizons that opened for (tourism-oriented) entrepreneurship.

The Obama-Castro thaw years had visible effects in terms of urban transformations linked to transnational investment. On top of the urban landscapes that had been once favoured by capital in different historical periods before 1959, some in serious decline, some rather well preserved, and all of them undisturbed by socialist construction processes, the script of the new capital flows and accumulation strategies was being written, as in a palimpsest (Jolivet and Carmichael 2021:263). It is thus that numerous mansions, villas and modernist apartments “of capitalist construction”<sup>7</sup> in the coveted neighbourhood of El Vedado (Plaza de la Revolution municipality), have been acquired and renovated by investors to set up bars, restaurants, boutique hotels or whole-property rentals (Baldoquín et al. 2018); that Old Havana’s quaint alleyways have become corridors of hospitality services, while the large modernist houses to the west (Playa municipality) appear to be captured by the longer-term luxury rental segment catering for professional expats.

### -III-

#### **Micro networks and pathways of informal transnational housing investment**

As previously mentioned, the argument of Havana’s housing market’s extraversion is not new; but this research supports that argument with empirical data obtained from 31 semi-structured, in-depth interviews to market practitioners (buyers, sellers, agents, landlords, producers) and experts from planning and urban governance institutions. From all this information, still undergoing processing, I herein resort to a core sample of **15 cases of housing investment**, to explore the transnational micro networks that enable and structure investment and therefore have a socio-spatial impact on the city. The 12 points below summarize some salient findings in relation to the above purpose, followed by three vignettes that add ethnographic detail.

#### **CAPITAL ORIGIN AND NATURE**

1. It was found that in all 15 cases acquisition and/or renovation of the properties involve capital that originated abroad: Italy (2) Spain (5), Germany (1), France (1), USA (4), Argentina (2). The predominance of Spain and the U.S. is consistent with these countries hosting the largest Cuban diasporas.

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<sup>7</sup> This is how sales ads refer to properties built before 1959, with the connotation of superior physical quality and aesthetic value as compared to those built after 1959.

2. Only in 2 cases (involving 3 Cuban nationals and residents) most or half of the capital proceeds from income earned in Cuba: one case is a self-employed seller of digital media and another consists of a married couple where the spouse contributing the most capital works for a foreign institution that offers services to expats, while the other spouse has received payments during professional visits to the U.S.

3. Only 2 cases include remittance proper. One as gift: around €60, 000 for renovation and extension, provided over the course of two years by an Italian national without Cuban residence, who, according to the informer, his ex-partner, homeowner and landlady of a short term rental for tourists, does not have a financial stake in the investment and does not demand repayment; in fact, he continues to help her financially sending food and toiletries. The other case includes remittance as an interest-free loan provided by a Cuban cousin living in Argentina.

## INVESTORS

4. In 7 cases the main providers of capital are Cuban national (residents and not resident); in 8 cases, foreigners: Italy (2), France(1), Spain (3), Germany (1), Argentina (1).

5. Of the 8 foreigners main providers of capital, 4 have permanent Cuban residence, another cannot have it because of a technicality but has been living in Cuba with renewable temporary residence since 1994. Two cases are unconfirmed, but since they are married to Cubans they are eligible for residence.

6. A total of 6 owner-investors are living abroad, of which 5 are absentee landlords: Cuban resident (1), Cuban-Spaniard living in Spain (1), Spanish (1), Argentinian (1), Cuban-American (1), the sixth case are Cuban-Americans that will become absentee landlords once the house is renovated and rented out.

7. All 8 foreigners main providers of capital entered in contact with the housing market because they have been or are in a relationship/ marriage with a Cuban.

8. Of the 7 Cuban investors 3 live abroad and resorted to the repatriation/resettlement procedure launched in 2012: Cuban American (2), Cuban-Spaniard (1). Another Cuban investor lived 20 years abroad and obtained Spanish and U.S. citizenship but never lost Cuban residence rights due to special rules applying to artists since the 2000s.

## PROPERTIES

9. All investment cases but two have involved the acquisition of a dwelling. All investment cases but 2 have involved radical renovation. In 12 cases the properties acquired and renovated are used for rent extraction; in 7 cases exclusively for rent extraction. In 3 cases the use is mixed, and only in 2 cases the use is exclusively residential.

10. In 3 cases investors (two foreigners and one Cuban national living abroad) circumvented the prohibition to own more than one primary urban residence, in effect since 1960. In each case properties were materially fused and are operated as one commercial unit, but they are formally declared as individual dwellings and individual renting operations, all of which required the participation of Cuban fronts (relatives) as nominal owners of the properties and of the licences to operate the holiday rentals.

11. All properties except for 2 are located on the northern coastal strip where the central municipalities align: Old Havana, historical center (2), Centro Habana (1), Plaza de la



Revolución, El Vedado (9), and Playa (2). The remaining 2 properties are in the not so central locality of Santo Suárez and in the peripheral municipality of La Lisa (La Coronela).

12. Prices and renovation costs reported (not all informants report this, and some reported on this showing secrecy or uncertainty, marked with \*). Only one case in this sample falls into the high-end USD 160, 000 + segment identified to constitute 10% of the above-the-median listings 2015-2020 (Jolivet and Carmichael 2022: 262).

<b>Amount and nature of investment</b>	<b>Location, use, etc.</b>
USD 20, 000 Purchase	Santo Suárez. Being significantly renovated but total cost unknown at time of interview. Residential.
USD 200, 000 - 300, 000* Purchase and radical renovation and extension	Plaza, El Vedado, large and beautiful villa in relatively good conditions. Whole property is a 5-room short term rental. Investor declares that renovation costs amount to 1.5 times the price of the house.
USD 37, 000 Purchase	Plaza, El Vedado, large and beautiful house in quite poor conditions with several properties, also in poor conditions, on top. Will be renovated as short term rental and retirement/holiday property for repatriated Cuban migrants.
USD 26, 000 Purchase	Two-bedroom flat in Centro Habana needing some repairs. Residential.
USD 30, 000 (before 2011) Purchase	Two bedroom flat in Plaza, El Vedado, needing some repairs, built before 1959 (“capitalist construction”). Residential and on and off mid-term rental in the high price tier in convertible currency.
USD 26, 000 + 20, 000 Purchase + renovation	Two-bedroom flat in Plaza, El Vedado, built after 1959 by the public housing Microbrigades program. Short term rental.
USD 60, 000* Radical renovation and extension	House in El Vedado, Plaza. Residential and short term rental.

Below, the first vignette shows the effect on the market of emerging transnational lifestyles involving temporary labour migration even before the 2012 reform, thanks to the partial 1990s-2000s openings. The second vignette, illustrates the mobility and investment itinerary of an expat and the social embeddedness that facilitate investment. It illustrates the continuity between conditions created in the 1990s and post-2011. The third case illustrates the transnational flow of capital between the island and the Cuban American diaspora enabled by the repatriation recourse. It also illustrates the internal flows of housing equity, in this case as seed capital for entrepreneurship. Some country details have been omitted to guarantee anonymization.

1. Cuban resident with a high mobility potential	2. European national with permanent residence (expat)
<p>Before 2008: Inherited “humble” two-bedroom flat in Old Havana in a very good location near Avenida del Puerto</p> <p>2008: Spent a year in Europe on an Masters with a scholarship and works two part-time jobs.</p> <p>2009: Swapped the Old Havana flat for a modernist one- bedroom flat in what she calls a “luxurious” location: La Puntilla, Playa municipality.</p> <p>2009: Worked in Asia for a few months</p> <p>2010: Illegally sold the Playa flat for USD 25, 000; adds USD 5000 savings accrued in Europe and Asia and bought a 2-bedroom flat in El Vedado, Plaza municipality. The latter’s previous owner had recently emigrated to the U.S. and left the mother as the nominal owner.</p> <p>2022: Left for the U.S. on a one-year contract.</p> <p>2023: Rents out El Vedado flat for 6 months at €400 per month to Cuban resident with second European nationality, working in Europe.</p>	<p>Late 1990s: Travelled to Cuba as tourist.</p> <p>Met future Cuban husband in Europe.</p> <p>1997: Started working in Havana as head of European destination management company.</p> <p>Marries Cuban partner. Lived in Playa; had children.</p> <p>Shortly after 2011: Couple bought 3-story building built in the 1910s from four families, on one of Havana’s most iconic and fast-declining urban landscapes, and installs, after a very challenging process of renovation, a boutique hotel. Owner refers that the Heritage office, which partakes in the granting of permits, was friendly to investment and renovation, given the sore need for building regeneration in that strategic area. Couple conserves Playa property.</p> <p>2020-2022: During and after the COVID lockdowns, a space previously used as the lounging area for hotel guests is converted into a restaurant: the drop in tourism makes them rely on Cuban consumers and prioritize food and drink services over accommodation ones.</p> <p>Around 2021: Children moved to Europe to complete their education</p> <p>2022: Applied to the <i>Mipyme</i> status (micro, small and medium enterprise). Cites facilities in importing supplies for the restaurants as a major incentive to become a <i>Mipyme</i>. Cites the ongoing exodus as a major challenge forcing them to replace young trained staff constantly.</p>

3. Exchange networks and transnational capital flows around two properties 2021-2022.
<p>Spacious 4-bedroom, street-facing neoclassic house built 1917, needing extensive repair, at the heart of El Vedado, sold for USD 37 000 by Cuban resident family (2 permanent occupants), who obtained the house in the 1960s through the Urban Reform Law of 1960. They have no access to convertible currency and have limited international mobility potential. They are the typical space-rich and money (and mobility)-poor Havana household. Nex door and across the street from this house are two short term rentals with live-in landlords, and a few doors down, a 10-room boutique hotel owned by a foreigner married to a Cuban.</p>

The large house was bought by a Cuban American couple working in the U.S., in the process of repatriation (using a Cuban resident nominal owner / front in the meantime). They plan to convert it into a short term rental-cum-retirement/holiday property. They are importing all renovation materials from the U.S.

Sellers of the large house bought a 2-bedroom flat in Centro Habana for USD 26, 000 from a person who had emigrated to the U.S. not long ago and left a relative as nominal owner and sales overseer. The new location is good, but less coveted than the one left behind, and with the flat on the fourth floor, a very elderly household member sees her mobility and sociability greatly impeded.

The sellers' older child, in his mid-20s, received USD 5000 from the USD 11 000 sale's profit as start-up capital to set up a gym in a rented space. Some of the rest is used to repair the new flat and to fund everyday consumption.

#### **-IV-**

#### **Analysis and Conclusions**

As can be seen from the ethnographic sample, the repatriation recourse, enhanced individual cross-border mobility for resident Cubans, the increase in foreign population (floating, resident and everything in-between) and the normalisation of its intermingling with the Cuban population, access to wages in convertible currency offered by foreign institutions established in Havana, the enabling effect for capital flows created by the enhanced transnational exchange between resident and diasporic Cubans, are conditions since the mid-1990s, but especially since the mobility and migration regime reform initiated in 2012, which have fundamentally incentivized and enabled housing commodification in Havana with residential, rent extraction and mixed purposes, especially in a context of low domestic capital accumulation and absence of housing finance mechanisms.

As illustrated by the cases above, the story of how specifically mobility and migration rules relaxed in reforming Cuba and how this correlates with the way Havana's housing market has been forming, is not one of sweeping, large scale institutional change; even if we have assigned these qualities to decree laws 288 and 302, when contrasted with the previous state-socialism scenario. In the grand scheme of things, and in consonance with the slow and irregular pace and nature of Cuba's reform process (Jolivet and Carmichael 2022: 255), this is more a story of a myriad incremental changes whose effects are well understood through ethnographic detail. There are still no private developers, private banks or real estate agencies in Cuba,<sup>8</sup> let alone foreign ones, which, for instance, are present in the Phnom Penh housing market story, from where borrow the term extraversion. The permanent residence requirement and the 'one-property only' rule, both in effect since 1960, still constitute important barriers to full-on housing commodification and marketization since their circumvention is risky and expensive. Cuba remains unaffiliated to most regional and international financial institutions (e.g., the World Bank, the Interamerican Development Bank) that induce lower and middle income countries to foster financial inclusion, financial mediation and debt-taking (Fauveaud, 2020; Zapata, 2018), and which support private-public

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<sup>8</sup> A handful of real estate agencies that emerged under the category of individual house sales and swap agent were audited and closed around 2017 (Ritter and Henken, 2020: 414).

schemes to channel remittance investment into local housing markets (Zapata 2018; Ortega, 2018). In fact, the Cuban state remains cautious concerning diaspora engagement practices; to start with, the figure of the definitive emigrant, if greatly weakened, still exists and has concrete juridical effects.

Yet, by 2019 USD 7 billion were estimated to have been invested in housing in Cuba (WOLA 2022); half of the asking prices in Havana 2015-2020 were above USD 45, 000 (around 180 state annual mean salaries at the time), with 10% of asking prices being above USD 160, 000 (Jolivet and Carmichael, 2022: 262). A 2018 Cuban survey of short term rentals in El Vedado found that 1721 residential buildings accounted for 68% of the tourism accommodation offer in this neighbourhood (Baldoquín et al., 2020: 39), while 45% of all short term rental rooms were located in houses rented out entirely (Idem), which mirrors global trends whereby whole properties are captured by this sector (Kadi et al. 2022; Cocola-Gant and Gago, 2021; Rongvaux, 2022). Therefore, the relative smallness and fragmentariness of liberalizing regulatory change has not prevented Havana from experiencing processes of housing commodification with similar effects to those experienced by cities worldwide, such as touristification and house price inflation caused by extra-local demand from migrants, expats and foreigners (Hayes, 2020; Navarrete Escobedo, 2022; Obeng-Oddom, 2010; Zapata, 2018; Ortega, 2018).

The international and transnational mobility and migration scenario is again changing. What appears to be further flexibilization of migration on the part of the Cuban state (the indefinite extension of the permission to stay abroad, previously mentioned) has combined in the post-Covid crisis with a painful mass exodus that has even been deemed as depopulation, with a very disappointing recovery of tourism (the slowest in Latin American and the Caribbean) and with an ambiguous set of foreign relation policies from Washington, only slightly less damaging than Donald Trump's for transnational flows between the island and its largest diaspora. Here is a new combination of transnational mobility related issues that, as per previous co-evolution periods shown in this study, would generate new housing market dynamics, which so far lean towards the market's indefinite stagnation (Europapress, 2023; Reportour, 2022; Center for Democracy in the Americas, 2021, LeoGrande, 2022).

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