

# Caracas Mayor Lays Claim to Golf Links to House Poor

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CARACAS, [Venezuela](#), Sept. 2 — No place in this country symbolizes the resilience of Venezuela's moneyed elite more than the Caracas Country Club, a bastion of tropical luxury from the 1920's, conceived in part for foreign oilmen and designed by American landscape architects who invoked the feeling of a vast coffee plantation.

So imagine the reactions in Caracas, a city choked by shantytowns and traffic congestion, when the mayor ordered the "forced acquisition" this week of the club's 18-hole golf course, and another exclusive course near the United States Embassy, to make way for homes for as many as 11,500 poor families.

"We've done studies that show that 20 families survive for a week on what's needed to maintain each square meter of grass on a golf course," said Juan Barreto, the mayor and a close ally of President [Hugo Chávez](#). "Their use is private and benefits certain sectors which are not the middle class or the poor."

This is not the first volley against private property rights. Mr. Chávez's government has tried for years to alleviate a severe housing shortage. Pro-Chávez politicians have put upscale districts of Caracas in their crosshairs, allowing squatters to occupy apartments in some residential buildings and considering measures that would expropriate apartments owned by landlords who control more than three properties.

Still, nothing touched a nerve in relation to property rights like Mr. Barreto's declaration, broadcast on state television. Even within Mr. Chávez's normally unified government, fissures erupted. Officials wanting to further radicalize Venezuela's socialist-inspired economic policies applauded the decision, while the vice president, José Vicente Rangel, derided it.

“The federal government does not share the decision to forcefully acquire the golf courses of Valle Arriba and the Caracas Country Club,” Mr. Rangel said in a statement on Wednesday, adding that the expropriations would be “the exclusive responsibility” of the municipal government for Caracas.

Teodoro Petkoff, an opposition politician and editor of the daily newspaper Tal Cual, alluded to the Bolsheviks in saying that Mr. Barreto, “in his megalomaniacal delirium, must consider this comparable to the storming of the Winter Palace in St. Petersburg in 1917.” Mr. Barreto, meanwhile, said he would take the case to the country’s Supreme Court.

Almost lost in the uproar was the housing crisis that led the mayor to rattle well-heeled Caraqueños in the first place. Official estimates suggest Venezuela needs 1.7 million new homes to meet low-income housing needs, even though 35,000 such units were built in the first half of the year.

The housing shortage has been decades in the making, created by mass migration to Caracas and other cities from the countryside and natural disasters, like mudslides and Hurricane Mitch in 1998, that left more than 400,000 people homeless and destroyed more than 60,000 homes. Rising prices for new homes, as Venezuela’s economic growth has surged by 9 percent this year, have also put owning an apartment out of reach for many people.

Anemic efforts by private construction companies to build low-income housing and a lack of new homes to keep up with population growth in this country of 27 million people have worsened the problem.

Earlier oil windfalls have encouraged the view that the government is almost exclusively responsible for solving housing deficits, according to Carlos Machado, who specializes in real estate and land issues at the Institute of Higher Administrative Studies, a business school here.

That view has only been strengthened by what Mr. Chávez calls his Bolivarian Revolution, an ambitious program to lift the living

standards of the poor financed by oil revenues that could exceed \$50 billion this year.

But the problem has been a persistent headache for Mr. Chávez, who created the post of housing minister in 2004, and in July named his third: Ramón Carrizales. Mr. Chávez has publicly criticized housing officials for not adequately addressing the crisis, and recently began reaching out to foreign construction companies.

During Mr. Chávez's recent visit to China, Venezuela reached a \$1.2 billion deal with the Chinese conglomerate Citic to build 20,000 homes over the next two years.

Construction companies from Brazil, Uruguay and Iran have similar deals with Venezuela's government, part of a broad effort to award contracts to non-American companies.

However, none of the deals are coming together quickly enough to produce the new homes needed in Caracas, a densely populated city of four million. Here, the housing shortage is most acute, and worries over how it will be dealt with have sent the real estate market spinning.

Landlords have flooded the market with apartments for sale, fearful of the measures, some in effect and others under consideration, that would allow more expropriations and bolster the rights of tenants and squatters.

Rentals are so scarce that rents have skyrocketed to as much as \$7,000 a month for a three- or four-bedroom apartment near the two golf courses. "The way people react is that you'll find that there's much less property available for lease or for rent, and more property available for sale," said George Kastner, executive director of Coldwell Banker in Venezuela.

Already, squatters occupy units in more than 140 buildings in Caracas, either illegally or with the approval of city officials. Mayor Barreto, who once pursued doctoral studies in sociology, has ordered more than a dozen takeovers of buildings, including a 96-unit

residential complex in El Rosal, a district with soaring postmodern office towers and the Caracas stock exchange.

Mr. Barreto made apartments in the building available to families of firefighters who were homeless or had to commute from far-flung areas to Caracas to work. The firefighters now live in 46 of the building's one- and two-bedroom apartments.

"This is simply our new reality," said Víctor Marval Marcano, an official with Constructora Cohen, the company that owns the building, which is called Rosal Plaza. "We've had cordial discussions with the mayor's office, and we're awaiting payment from the government for the units that have been taken over."

Payment for the golf courses, according to Carlos Escarrá, a constitutional lawyer and top pro-Chávez legislator in the National Assembly, should be "just and opportune."

"If there's agreement on the amount of the payment, then it's over," Mr. Escarrá told reporters. "But if not, then this goes into a judicial phase."

If that occurs, the golf club takeovers may well bog down in Venezuela's byzantine bureaucracy and legal system. By week's end, the mayor's opponents seemed almost nonchalant. "One has to laugh, because sincerely this is a country where everyone rules and no one obeys," Fernando Zozaya, president of the Caracas Country Club, said in an interview.

It would be too easy, perhaps, to accept such sentiment as a bookend to the dispute in a city where protesters gather daily at the government's housing bank in El Rosal to demand new homes. The protesters, who are occasionally dispersed by tear gas, expressed glee at the chance to become neighbors of Venezuela's elite.

"Golf is a beautiful game that I've seen on television, but if that's where I belong, then so be it," Roberto Carlos Valdez, 41, a street vendor, said during a protest this week. "All I want is a roof over my children."