



Mexico Housing Sector Overview



GOBIERNO FEDERAL

SEMARNAT



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EXECUTIVE SUMMARY

Relevant facts

- By the third decade of this century, there will be 40 million homes in Mexico, and an average of 06 million will be constructed and financed each year.
- In the next 30 years, 35 percent more houses than those currently existing in Mexico will be constructed.
- Urban areas consume nearly 50 percent of the country's energy resources.
- To date, nearly 500,000 sustainable houses have been built in Mexico. Each of them has mitigated 1 to 1.5 tons of CO₂e.
- More than 243,626 subsidies have been given under the "Esta es tu casa" program
- Five Sustainable Integrated Urban Developments (Desarrollos Urbanos Integrales Sustentables, DUIS) have been certified and 18 are currently being analyzed (which represent more than 1 million 250 thousand new houses in 15 Mexican states).

Description

Since 2009, the Mexican Federal Government has promoted the development of a sustainable housing model. The precursor of this initiative was the Green Mortgage (Hipoteca Verde, HV) program of the Institute of the National Housing Fund for Workers (Instituto Nacional del Fondo para la Vivienda de los Trabajadores, INFONAVIT), an institute in which Mexican workers save a portion of their salaries and employers make another contribution in order to generate creditworthiness for the purchase of a home. The HV consists of equipping the home with a technology package for the sustainable use of water and for energy saving (electricity and gas), making it possible to achieve a 48 percent savings in electricity and gas consumption. Electricity, water and gas bills are reduced, which mean an average savings of 261 MXN for residents of affordable housing. In the case of carbon dioxide (CO₂e) emissions, it is estimated that each home saves

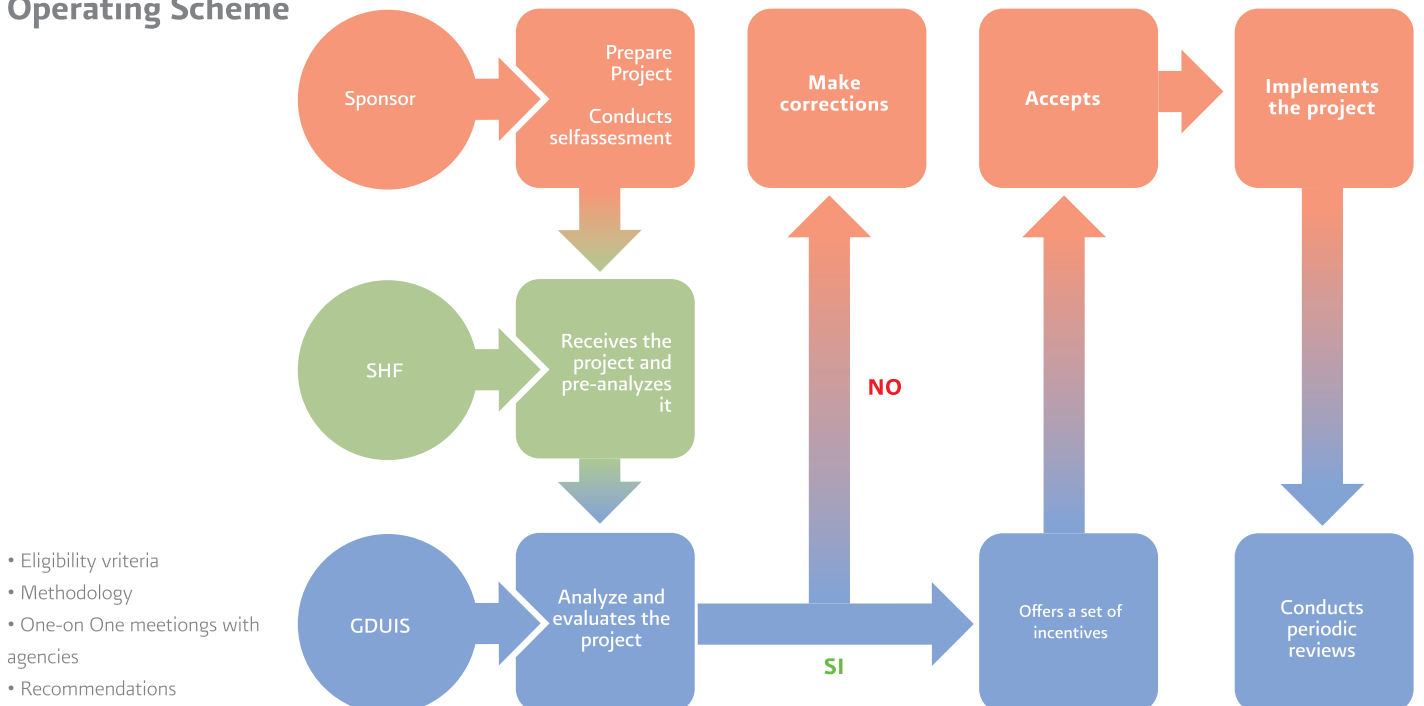
1 to 1.5 tons per year. In addition, the "This is Your House" ("Ésta es tu Casa") program, through federal subsidies, has helped low-income families (< 2.6 TMW) that are not eligible for an HV credit to afford a sustainable house. With these instruments, the aim is to strengthen the Government's commitment to offer the alternative of sustainable housing to the country's lowest income sector.

Green Mortgage (Hipoteca Verde, HV) Chart for obtaining Green Mortgage



The economic benefits that the HV generates for families are directly related to the technology package that they select. Depending on the income evaluated by the minimum wage (times minimum wage, TMW, or veces salario mínimo, VSM), a range of minimum savings is established, which ensures minimum savings for a family's economy.

Operating Scheme



- Eligibility criteria
- Methodology
- One-on One meetings with agencies
- Recommendations

There is a federal government subsidy called "This is Your House": it is an extra amount added to the credit granted by INFONAVIT. It allows low-income families (<2.6 TMW) to purchase a sustainable house. Sustainable Integrated Urban Development (DUIS)

This addresses the concept of sustainable housing under a broader scope that encompasses the neighborhood, the city and the region and takes the following aspects into consideration:

- Efficient and sustainable urban infrastructure
- Integration of industry and commerce to allow employment creation in the region
- Strategies to facilitate mobility and accessibility
- Provision of services: education, health, social activities
- Territorial coordination
- Environmental protection and rational use of natural resources

Initiatives to Strengthen Sustainable Housing in Mexico

In order to strengthen the efforts that have been made on this subject, work has been conducted on the design and implementation of mechanisms stemming from relevant international agreements on climate change. The mechanisms that are planned to be promoted are: Clean Development Mechanism (CDM), and Nationally Appropriate Mitigation Actions (Acciones de Mitigación Nacionalmente Adecuadas, NAMAs) for Housing and Urban Development.

International support for the achievement of the objectives proposed by these initiatives has included the participation of the World Bank and the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (Bundesministerium für Umwelt, Naturschutz und Reaktorsicherheit, BMU), through the German Agency for International Cooperation (GIZ, as per its acronym in German), which have contributed economic and human resources to strengthen the efforts and commitments expressed by Mexico on this subject in order to achieve favorable results in the implementation of the initiatives and a significant reduction in GHG.

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With the cooperation of Mexican Housing Sector Institutions, CONAVI, INFONAVIT, SHF.

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