

**VINTE Viviendas Integrales SAPI de CV (“VINTE”) (ME-L1125)**  
**PROJECT ABSTRACT**

The Mexican homebuilding industry is facing new challenges. The supply of new homes has not recovered since the global financial crisis. In addition, although demand for new homes exists, homebuyers have shifted their interest toward other alternatives such as used homes, rentals, or improvements and add-ons to existing homes. Another important challenge that the industry is facing is the recently announced amendments to the National Housing Policy that set new rules for urban developments and subsidies allocation. Among these conditions, the three major homebuilders practiced aggressive financial strategies that led to a snowball effect of increasing negative cash flow, defaults, and large debt restructuring processes. Although these three developers represent 15% share in Mexico homebuilding market, uncertainties regarding their operation and financial viability created a domino effect that has fed the pessimistic investor sentiment toward the Mexican housing industry causing restrictive access to construction financing. However, deterioration is not generalized as other homedeveloper companies have not slowed down their operations and in fact show adequate financial conditions. Moreover, expected industry reconfiguration in the medium term can create growth opportunities for homedevelopers with an efficient operation and promptly access to liquidity.

On May 9<sup>th</sup> 2012, the Board of Executive Directors approved up to MXN\$200 million in one or several Partial Credit Guarantees (PCG) to VINTE, Viviendas Integrales S.A.P.I. de C.V. (ME-L1124) under the Banamex Capital Markets Facility (ME-X1013), and on July 12<sup>th</sup> 2012, IDB granted VINTE the first MXN\$100 million PCG to enhance a MX\$200 million 3-year amortizing corporate bond (*Certificados Bursatiles*). For the remaining approved MXN\$100 million PCG, VINTE is requesting the Bank to partially guarantee a MX\$200 million 3.5-year amortizing corporate bond to be issued next September 2013.

VINTE is a homebuilder engaged in the construction of low and middle income housing communities in Mexico. VINTE is a medium niche player that the Bank is supporting due to its focus on value added quality housing and services, equipped with eco-friendly technology and with community services that help to maintain or increase the value of the property in the future. IDB participation in the project will support the company overcome the industry’s liquidity crunch, and will help VINTE increase its debt tenor to strengthen its long term financing to support its 5 years business plan growth for low and middle income housing construction of 25,000 new dwellings.

The project promotes access to finance as part of the beyondBanking<sup>1</sup> program by enhancing debt securities in the Mexican capital markets. As mentioned before VINTE is a mid-size company that build low and middle income houses with eco-technologies, therefore this project fosters climate and environmentally friendly investments, improve people’s housing and living conditions, and help with the funding needs of an SME, all of which is part of the SCF’s vision targets<sup>2</sup>, and is fully aligned with the Bank’s Mexico Country Strategy and GCI-9 priorities.

---

<sup>1</sup> For more information please refer to [www.iadb.org/beyondBanking](http://www.iadb.org/beyondBanking)

<sup>2</sup> SCF Vision targets to improve the living standards for 15 million people, make climate friendly investments of US\$10 billion and meet the funding needs of 250,000 SMEs by 2015