Early Warning System

IFC-38374

Vinte-NuEDGE

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Quick Facts

Countries	Mexico
Specific Location	Mexico State, Quintana Roo, Hidalgo, Queretaro and Puebla
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	B
Voting Date	2016-09-20
Borrower	Promotora de Viviendas Integrales, S.A. de C.V.
Sectors	Construction
Investment Type(s)	Loan
Investment Amount (USD)	$ 18.62 million
Project Cost (USD)	$ 48.50 million

Project Description

From the IFC:

The project is a loan to Vinte Viviendas Integrales, S.A.P.I. de C.V. ("Vinte" or "the company") for $20 million to finance the construction of 2,000 homes to be certified against "Excellence in Design for Greater Efficiencies" (EDGE) in middle to low income housing developments in Mexico over the next five years. EDGE certified houses achieve a projected minimum reduction of 20% in energy and water use. Vinte's housing developments typically are between 1,000 and 6,000 single-family 2 level houses in extent, averaging 80 m2 and the houses to be developed at part of this project will be similar in size though a new high rise apartment building complex will also to be developed by the company for the first time. The project will contribute to addressing a long-standing housing shortage in Mexico by providing good quality affordable housing in rapidly urbanizing areas of the country.

Vinte is a holding company that includes six operating subsidiaries which undertake the following: (i) promotion of developments; (ii) research and development in housing, including technological, environmental, and design aspects; (iii) urbanization, design and construction activities; (iv) the distribution of computers, internet, and related services; (v) human resources management for all Vinte subsidiaries; and (vi) the sale of home equipment such as floors, closets, furniture and solar panels. Vinte's activities related to housing operations include land acquisition, house design and housing development planning, construction and sales. Vinte offers several housing products within the affordable entry-level and middle income segments and has built and is planning to build housing developments in the states of: Mexico State, Quintana Roo, Hidalgo, Queretaro and Puebla. Vinte will have built approximately 44,000 houses by 2021. Once each development is complete, the company cedes management of the operations to a neighbor's association or a third party administrator hired by the association. Through its subsidiaries, Vinte is responsible for all phases of design, development, commercialization and quality control of housing developments. This includes: land acquisition, architectural and urban design, research and development, construction, and retail of housing hardware and appliances. Vinte rely on construction contractors to only undertake land preparation activities and associated infrastructure to these developments (schools, water tanks, roads and water pipelines).

Vinte is an existing IFC client (project #26292).

This is a category B project according to IFC's Policy on Environmental and Social Sustainability because a limited number of specific environmental and social impacts may result from project activities that can be avoided or mitigated by adhering to generally recognized performance standards, guidelines or design criteria as is described in the following sections. The main potential environmental, social, health and safety issues of the proposed project are related to: (i) effective application of environmental and social management systems during construction, including occupational health and safety; (ii) energy use and energy efficiency measures; (iii) water resource efficiency; (iv) solid waste management, including disposal; (v) stakeholder engagement; and (vi) wastewater treatment and disposal.

Investment Description

- International Finance Corporation (IFC)

The Total Project Cost is estimated at US$48.5 million equivalent. The IFC investment is a US$18.62 million equivalent loan for IDC's own account to finance the construction of 2,000 EDGE homes in Mexico.

The two main shareholders of Vinte are Mr. Sergio Leal Aguirre (29.77 percent) and Mr. Carlos Alberto Cadena Ortiz de Montellano (26.91 percent). The remaining 43.32 percent shareholding is held by Mr. Rene Jaime Mungarro (15.22 percent), Mr. Antonio Blas Zuniga Hernandez (7.14 percent), Mr. Jose Antonio Soto Montoya (5.04 percent) and Mr. Domingo Alberto Valdés Díaz (0.95 percent). IFC owns 9.97 percent of Vinte's shareholding held since February 2008 and the Inter-American Investment Corporation (IIC) owns 5 percent since September 2013. IFC has performed background checks on the shareholders, confirming their good reputation.

Contact Information

ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/

Other Related Projects

- IIC-11307-04 Viviendas Integrales S.A.P.I. de C.V.