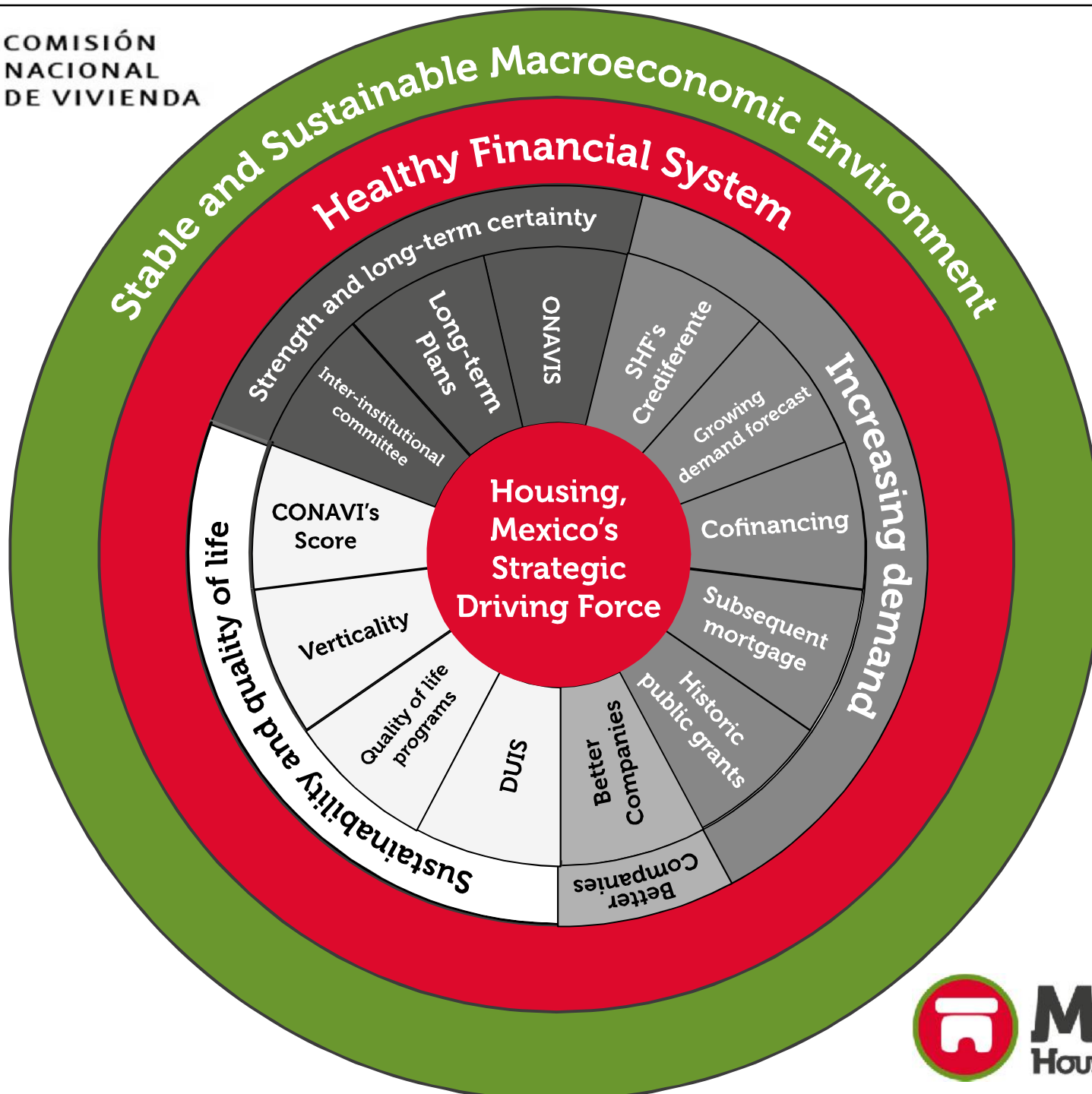




COMISIÓN
NACIONAL
DE VIVIENDA



MEXICAN
HOUSING DAY 2012



CONAVI

Mexican Housing Outlook

March 2012



**MEXICAN
HOUSING DAY 2012**



Vivir Mejor








CONAVI

Mortgage Origination -2011-



Mexican Housing sector delivered a remarkable performance during 2011...

Figures in Million Pesos

	Housing Agency	Annual Goal		Performance		
		Credits / Subsidies	Investment	Credits / Subsidies	Investment	Target Compliance Credits/Subsidies Investment
Mortgages	 INFONAVIT	480,000	107,345	501,292	131,974	104.44% 122.94%
	 FOVISSSTE	90,000	30,262	75,163	34,404	83.51% 113.69%
	 <i>Banjercito</i>	5,000	232	4,711	1,845	94.22% 795.26%
	Banks / Sofoles	158,600	105,000	110,867	78,472	69.90% 74.74%
	Other Entities	29,405	2,751	22,660	4,751	77.06% 172.70%
	SUBTOTAL	763,005	245,590	714,693	251,446	93.67% 102.38%
Subsidies	 CONAVI	170,000	5,313	165,704	5,170	97.47% 97.31%
	 FONHAPO	94,852	3,174	129,253	3,174	136.27% 100.00%
	SUBTOTAL	264,852	8,487	294,957	8,344	111.37% 98.32%
	TOTAL	1,027,857	254,077	1,009,650	259,790	98.23% 102.25%

Other Entities include: CFE, Fonacot, Habitat, Issfam, Orevis, Pemex.
Source: CONAVI with figures of each entity



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Mortgage Origination -2012-








Resilient growth of the economy, strong public finances, low inflation and housing policies consolidation make 2012 perspective very positive...

2012

- 722,000 mortgages
- 279,000 subsidies
- Investment range between: \$246,000 to \$258,000

Figures in Million Pesos

Entity	Baseline Scenario		Likely Scenario	
	#	\$	#	\$
 INFONAVIT	490,000	107,169	540,000	118,105
 FOVISSSTE	70,000	26,332	75,000	28,213
 <i>Banjercito</i>	6,592	412	6,592	412
Issfam	3,100	858	3,100	858
Banks / Sofoles	138,235	97,298	138,235	97,298
Other Entities	13,958	3,630	13,958	3,630
SUBTOTAL	721,885	235,699	776,885	248,516
 CONAVI	181,000	8,235	181,000	8,235
 FONHAPO	98,327	2,171	98,327	2,171
SUBTOTAL	279,327	10,406	279,327	10,406
TOTAL	1,001,212	246,105	1,056,212	258,922

Mortgages

Subsidies

CONAVI projection for Other Entities (CFE, Fonacot, Habitat, Orevis, Pemex) based in performance of 2011

Source: CONAVI with figures of each entity



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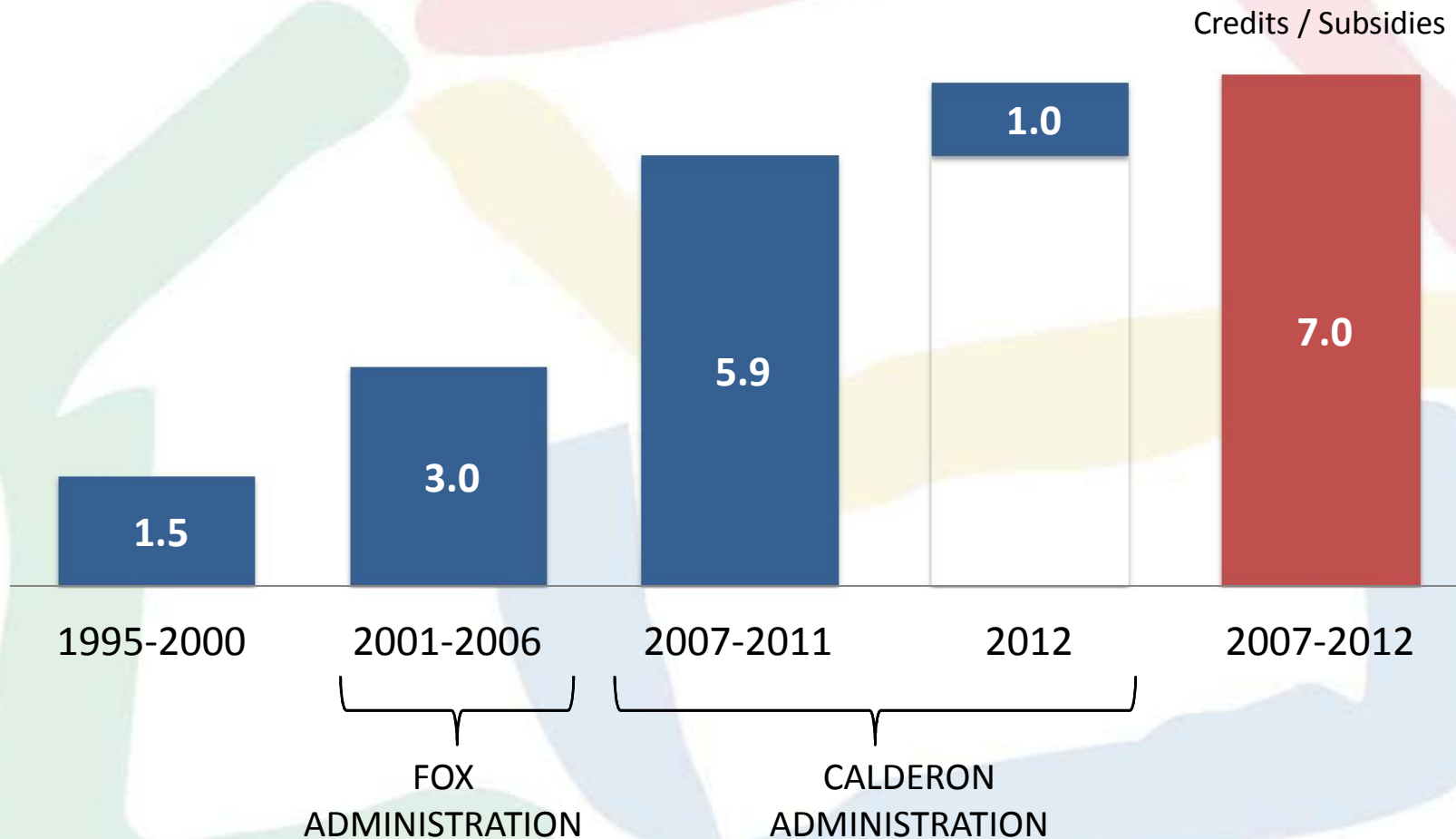


Performance of the Current Administration

Gobierno
Federal



...which will allow the sector to surpass President Calderon's sexennial goal of 6 million credits by 15 percent.



Source: National Housing Program 2007-2012: Towards a Sustainable Housing Development (Programa Nacional de Vivienda 2007-2012: Hacia un Desarrollo Habitacional Sustentable)



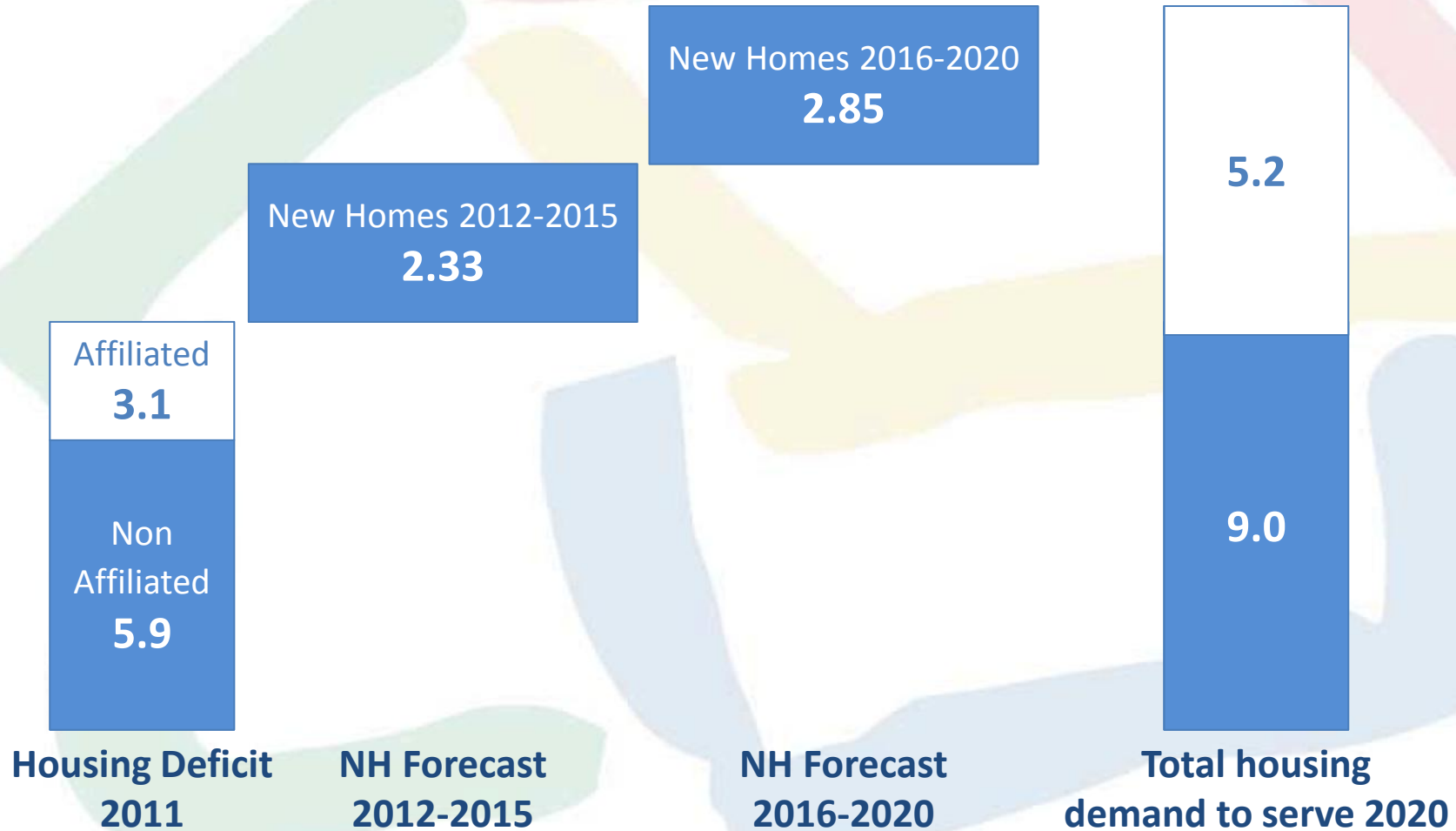
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Housing Demand



Housing demand remains challenging, not only because of the existing 9 million housing deficit, but more importantly due to demographic growth which is expected to be around 600 thousand families per year...



Source: Housing Deficit from SHF with 2010 figures. New home forecasting from CONAPO with 2005 figures.



Housing Production Recovery



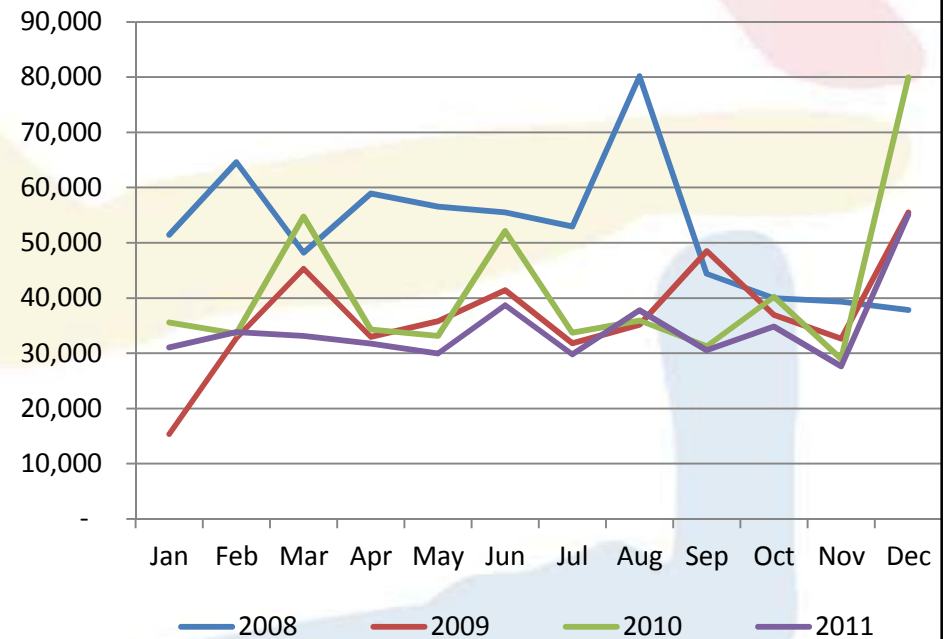
Therefore, the real challenge for the industry is the alignment of housing supply with sustainability guidelines and housing demand access to proper financing...

Inventories (annual variation)



Source: Softec

Housing Starts (units)



Source: RUV

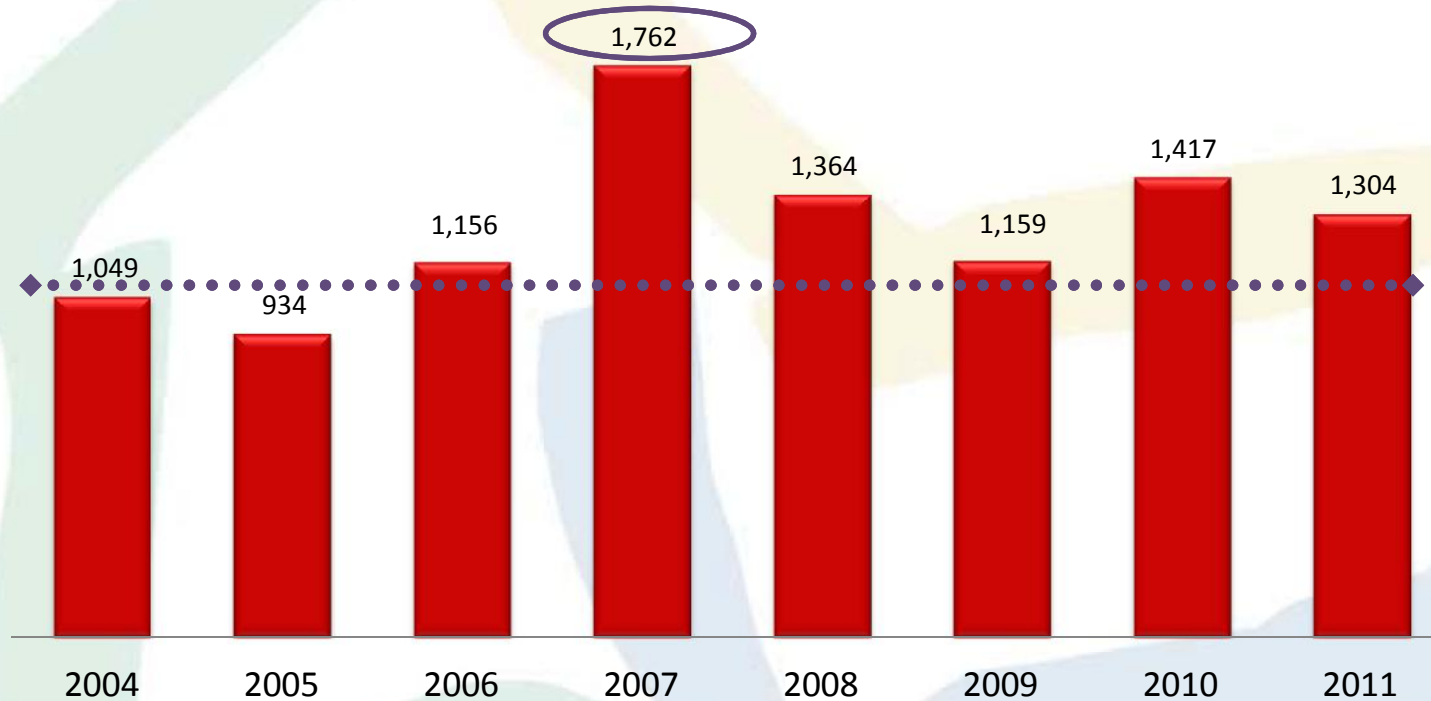


Housing Production Recovery



Which will accelerate healthy depuration in the number of housing developers...

Number of Developers



Source: RUV / Infonavit



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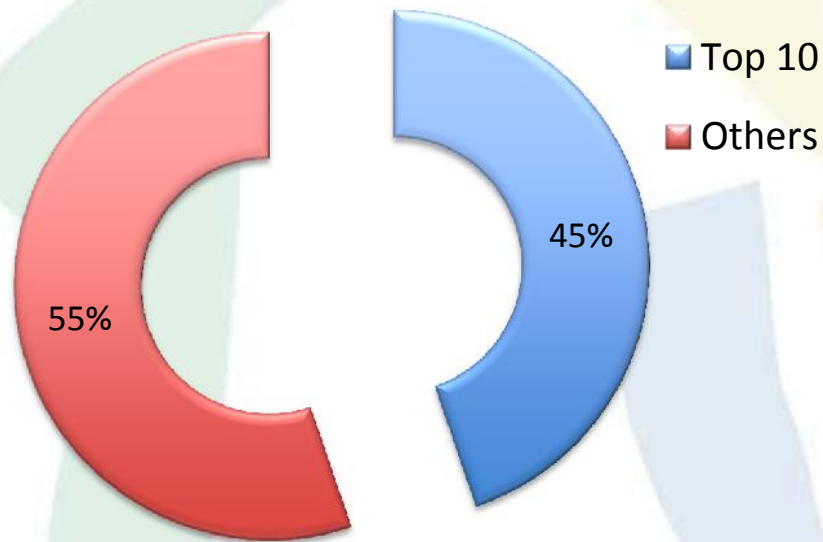


Housing Production Recovery

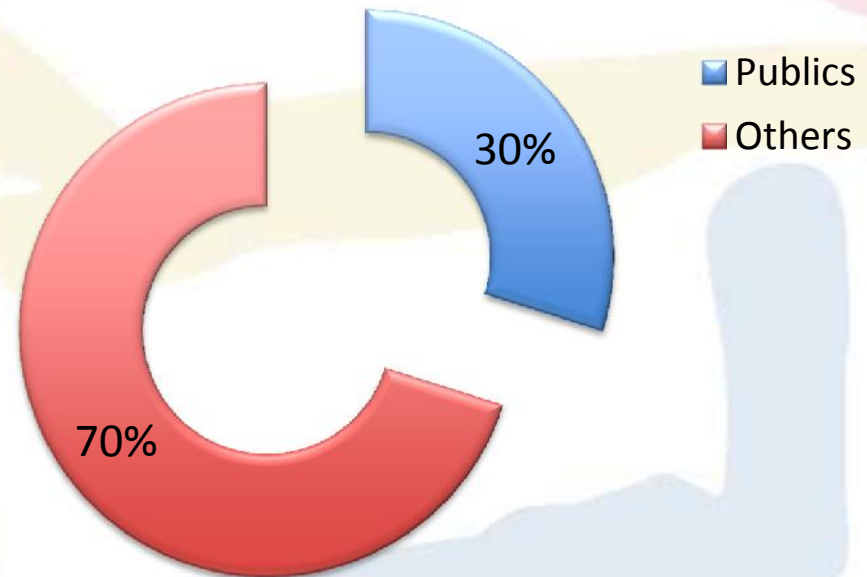


And increase market share of remaining players...

Market Share: Infonavit acquisition mortgages (new houses)



Market Share



Source: CONAVI with figures of new house acquisition titled credits from Infonavit during 2011.



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Federal Government will keep supporting three main strategic guidelines:

- 1. To provide up front subsidies to low income population**
2. To promote new financial instruments in order to give access to non affiliated workers to mortgages
3. To provide incentives to transit, as fast as possible, to new house building standards relaying on sustainable basis





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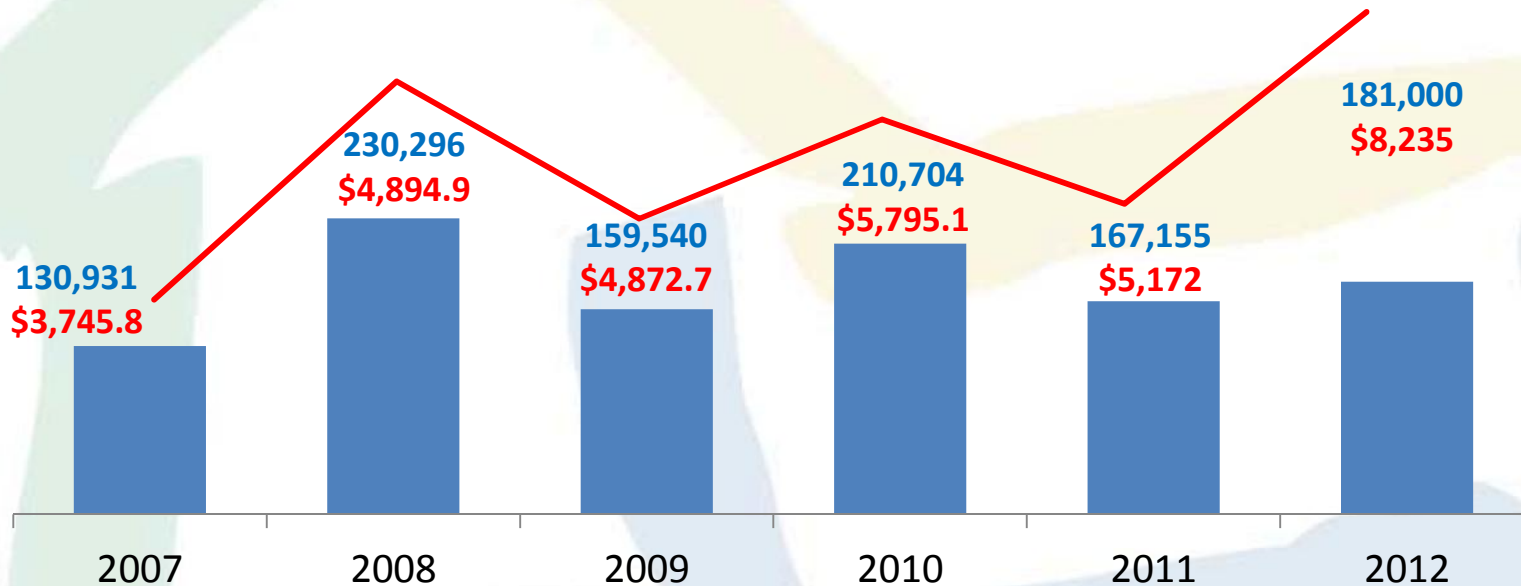
Public Policy: up front subsidies



Budget allocation for up front subsidies has been critical, to serve low income housing demand...

“Esta es tu casa” up front subsidies program from Conavi

1.078 million subsidies
MX\$ 32,715 billions



Figures in million pesos



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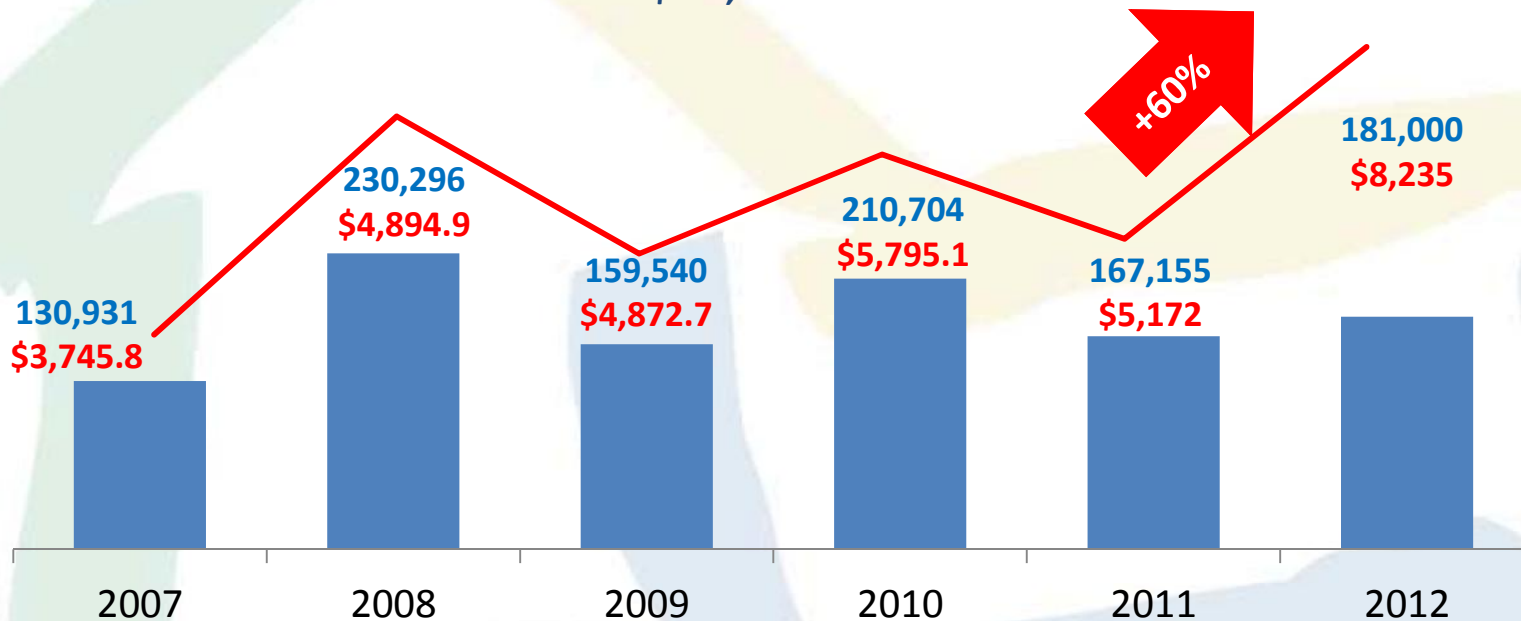
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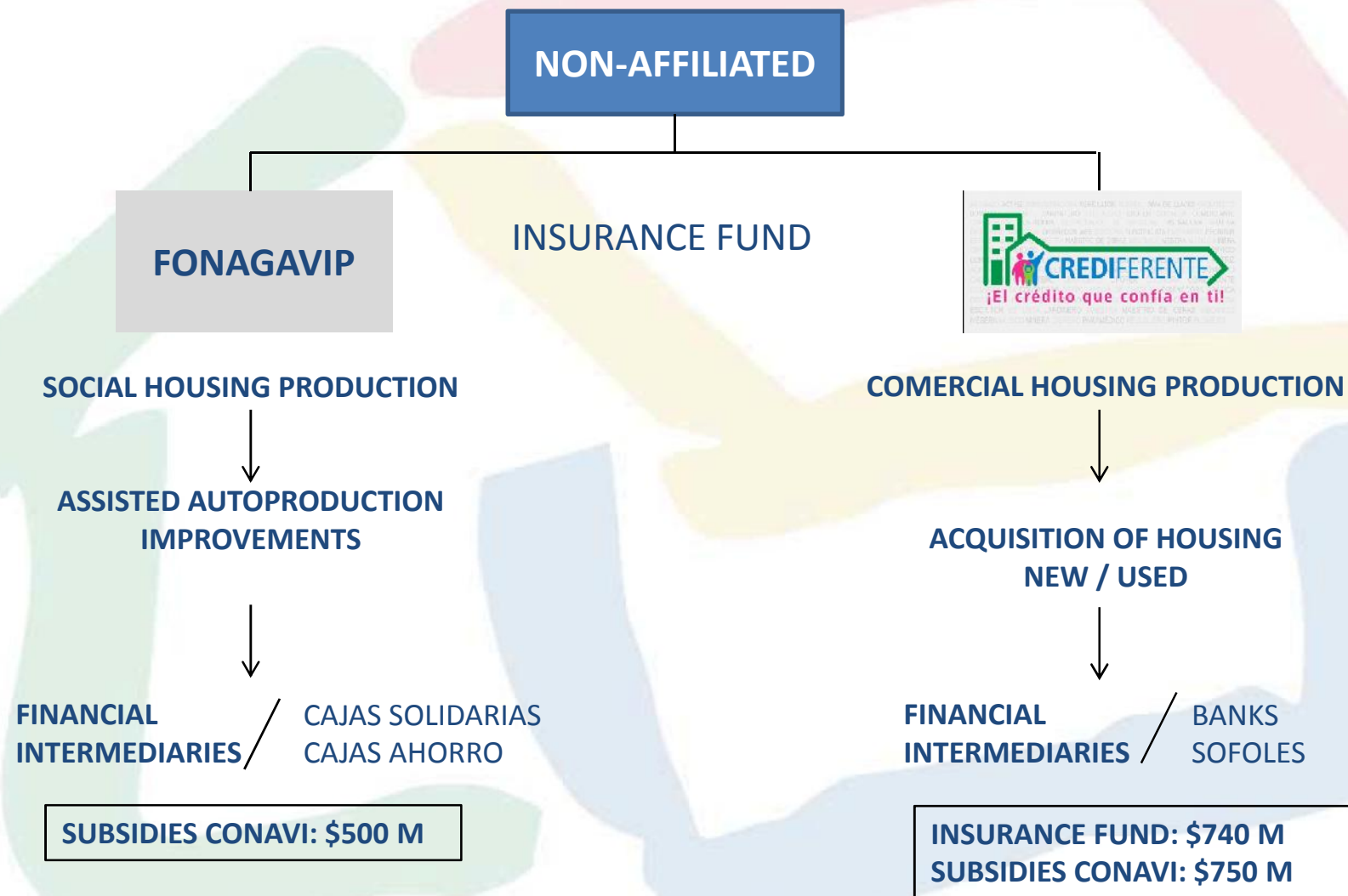
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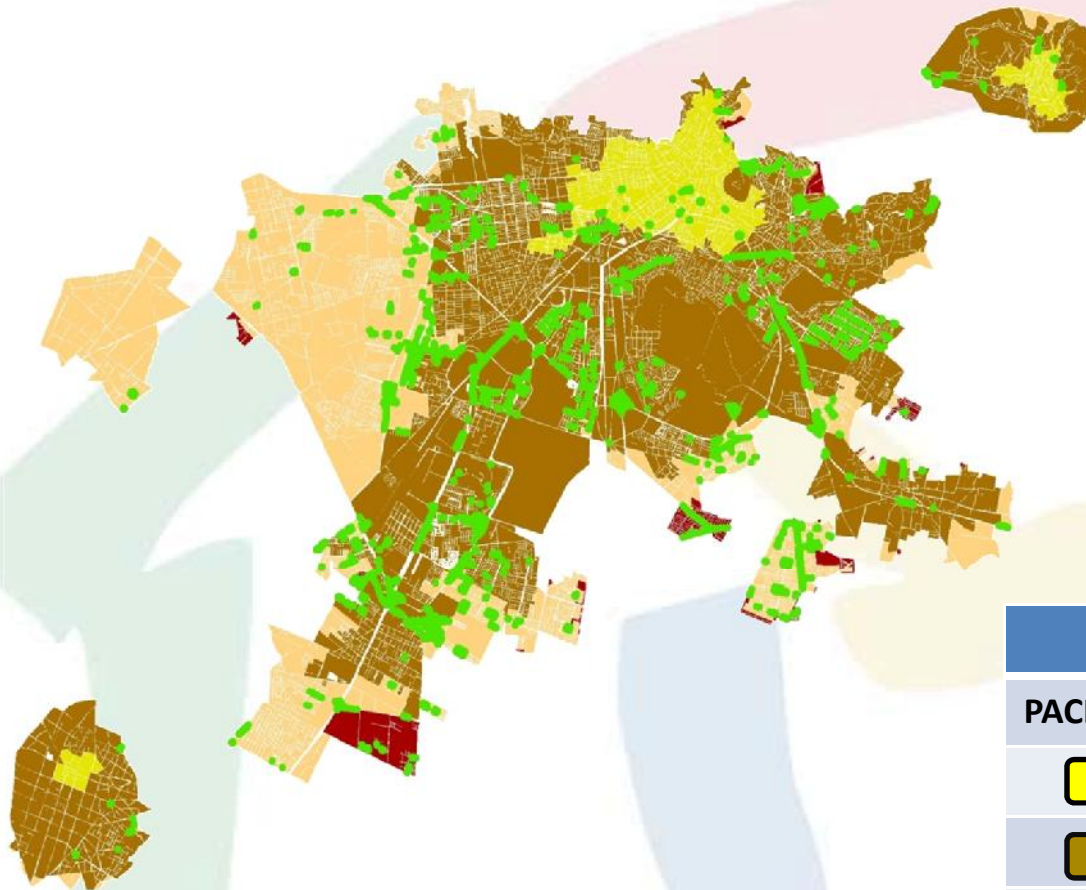
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Public Policy: financing for non-affiliated workers



Urban sprawl: Pachuca

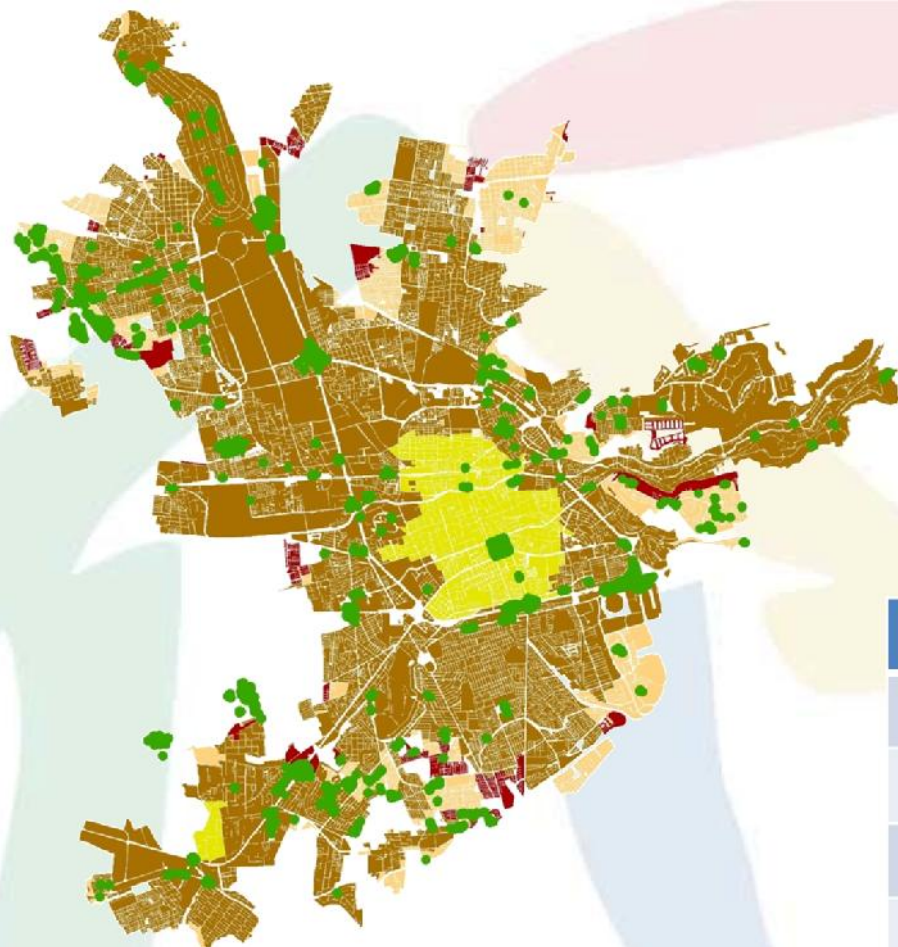


City	Green Area Has	Green Area Mts 2	Population	GA/inhab. Mts2
Pachuca	100.3	979,051	383,806	2.55

	POPULATION	AREA (HAS.)
PACHUCA		
1980	135,248	595.33
2000	375,022	7,918.41
2005	438,692	10,817.57
2009	487,450	11,183.90
GROWTH	3.6 TIMES	18.79 TIMES

* Source: SEDESOL

Urban sprawl: Querétaro

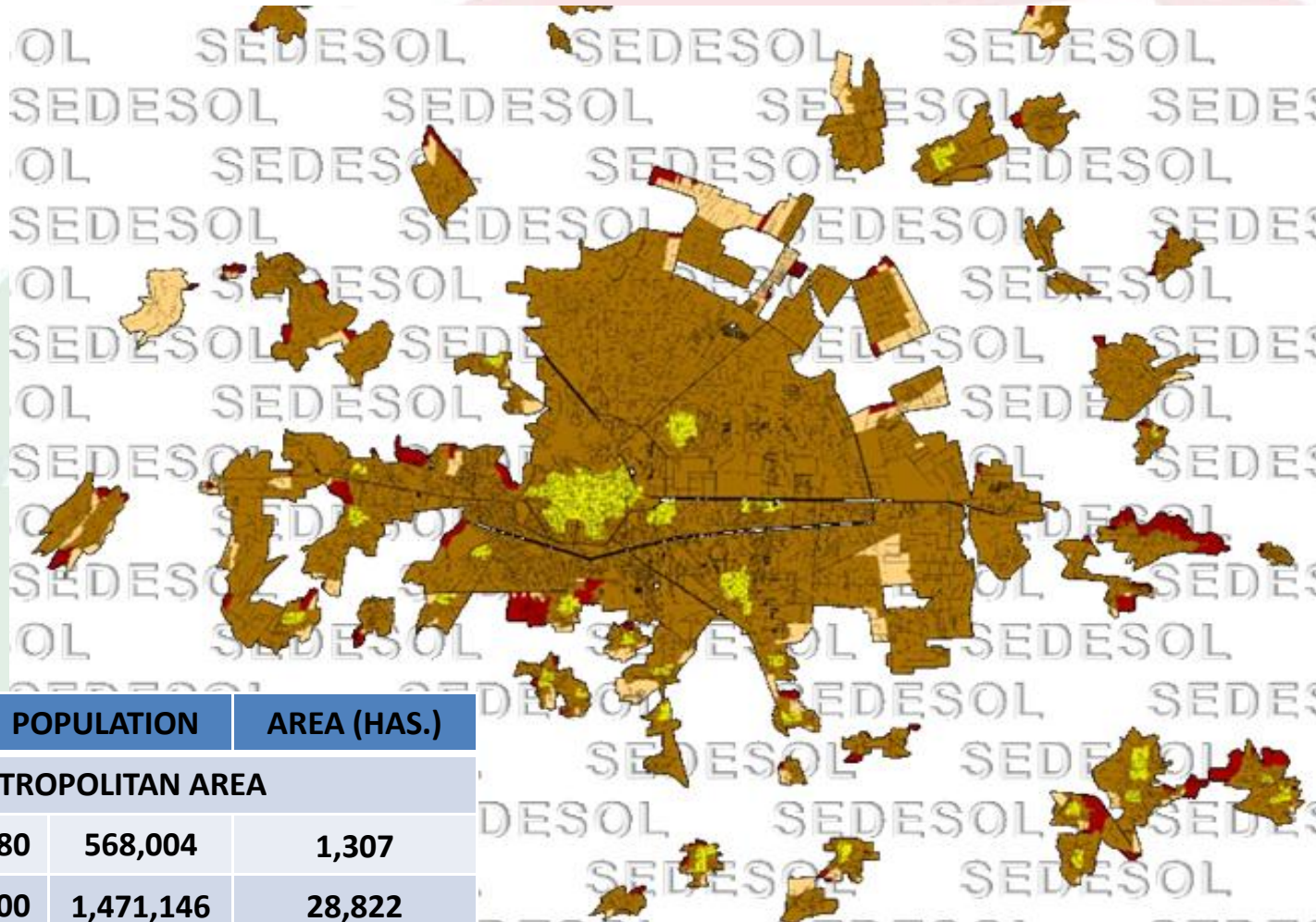






	POPULATION	AREA (HAS.)
QUERÉTARO		
1980	323,275	782.34
2000	816,481	9,230.74
2005	950,828	11,074.82
2009	1,036,154	11,492.05
GROWTH	3.2 TIMES	14.69 TIMES

City	Green Area Has	Green Area Mts 2	Population	GA/inhab. Mts2
Querétaro	101.98	1,019,849	901,792	1.13

* Source: SEDESOL

Urban sprawl: Toluca Metropolitan Area



	POPULATION	AREA (HAS.)
TOLUCA METROPOLITAN AREA		
	1980	568,004
	2000	1,471,146
	2005	1,633,052
	2009	1,846,116
GROWTH	3.25 TIMES	26.03 TIMES

Public Policy: transition to sustainability



PRIORITY 3:

- 2nd surrounding area location
- High redensification (vertical)
- To provide more facilities
- Eco technologies



PRIORITY 1:

- Inner-city location
- High redensification (vertical)
- To provide few facilities



PRIORITY 2:

- 1st surrounding area location
- Medium/low redensification (vertical/duplex/quadruple)
- To provide medium facilities



NO RATING:

- Not urban location
- Low redensification
- With no facilities
- No public transport nearby



Public Policy: transition to sustainability

GOBIERNO FEDERAL



In 2011 the certification was made 4 projects DUIS getting to 8 in total:

Which represent:

- 312,617 housing
- 1'250,060 people supported
- Estimated investment of \$61,000 millones
- Surface 9,242 hectares



Final Remarks



- a) Still robust housing demand, not only through historic deficit but more importantly on the demographic growth of the population.
- b) Strong mortgage and up front subsidy supply, relaying in state housing agencies and an aggressive mortgage bank origination by 2012
 - New financing schemes already in place: non-affiliated workers and second mortgage in Infonavit
- c) Credit risk best practices in place, with no subprime origination and no price bubbles.
- d) Home builders industry consolidation, with less players but more sustainability in housing supply.
- e) Federal Government full support to make industry transition towards sustainability as fast as possible, setting economic and operational incentives.

