REAL ESTATE COORDINATION OFFICE, A NEW MECHANISM TO STREAMLINE REAL ESTATE PROCEDURES IN MEXICO CITY

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Executive Summary:

- On January 22, 2025, the Agreement establishing the Real Estate Coordination Desk in Mexico
 City was published, a new mechanism designed to streamline procedures related to real estate
 development. It aims to simplify processes, increase transparency, and provide greater certainty
 to the sector through coordination between various government agencies, such as the
 Secretariats of Government, Environment, and Mobility, among others. This collaborative effort
 ensures that all stakeholders are included in the process.
- This system will focus on large-scale projects and is set to begin operating no later than March 6, 2025. This clear timeline ensures that all stakeholders are well-informed about the establishment of the Real Estate Coordination Desk and its objectives, improving administrative efficiency and reducing bureaucracy in key permits for urban development.

On January 22, 2025, the Agreement establishing the mechanism to facilitate the management of procedures, known as the Real Estate Coordination Office of Mexico City (the "Agreement"), was published in the Official Gazette of Mexico City.

Through this Agreement, the Government of Mexico City acknowledges the construction sector as a key pillar of the economy and fundamental to the country's development, emphasizing the importance of providing it with greater certainty through transparent and efficient administrative mechanisms that facilitate the streamlining of procedures and processes in real estate development.

The creation of the Real Estate Coordination Office of Mexico City (the "Office") is established, with its operation being in charge of the Secretariat of Planning, Territorial Management, and Metropolitan Coordination of Mexico City (the "Secretariat").

APPLICABLE PROCEDURES

The Office will serve as a key tool to streamline procedures related to Real Estate Projects that require submitting any of the following applications to the Secretariat:

- 1. Constitution of the Action Polygon.
- 2. Application of the Urban Development Potential Transfer System (Receiving Property).
- 3. Opinion on the Application of Land Use Regulations or General Zoning Rules.
- 4. Unique Zoning Certificate with the application of Regulation 26 for the Housing Secretariat and SERVIMET.
- 5. Unique Impact.





CLASSIFICATION CRITERIA FOR THE PROJECTS

Real Estate Projects classified for management through the Office include:

- Residential projects with more than 10,000 m²
 of construction: Including those intended for
 social or popular housing, with low-impact
 commerce or services included in the Type C
 manifestation registry.
- Non-residential projects with more than 5,000 m² of construction: Including offices, retail, services, industry, or equipment.
- Mixed-use projects with more than 5,000 m² of construction: Excluding those intended for social or popular housing or developed under Federal or Local Government programs, which include lowimpact commerce or services, registered in the Type B manifestation.

ESTABLISHMENT AND LAUNCH OF OPERATIONS

The Agreement entered into force on January 23, 2025, and the Office must begin operations no later than March 6, 2025. Procedures initiated before the entry into force will continue in accordance with the traditional procedure in effect, in accordance with the applicable legislation.

There are several aspects of the Agreement that still need to be clarified. The Secretariat must issue the corresponding guidelines for the operation of the Office and the working group no later than February 13, 2025. Likewise, the Unique Impact Commission must publish the guidelines for the analysis of the projects on the same date.

Additionally, due to the implementation of the Agreement, the competent agencies of the Public Administration of Mexico City must review and adjust their procedures no later than March 6, 2025.

INVOLVED AUTHORITIES

The Secretariat will closely collaborate with the competent Boroughs, according to the characteristics and needs of each real estate project, and with the following entities of Mexico City:

- 1. Secretariat of Government;
- 2. Secretariat of Administration and Finance;
- 3. Secretariat of Comprehensive Risk Management and Civil Protection;
- Secretariat of Comprehensive Water Management;
- 5. Secretariat of the Environment;
- 6. Secretariat of Mobility; and
- 7. Institute for Construction Safety

Consult <u>here</u> the Agreement of the Real Estate Coordination Office of Mexico City.

Claudia Rodríguez Partner crodriguez@s-s.mx

Vicente Grau Partner vgrau@s-s.mx Heriberto Garza Partner hgarza@s-s.mx