BBVA Research

April 2026

Real Estate Outlook

Key messages

Construction

Construction GDP decreased by 1.0% in 2025.

Building grew by 4.3%, with the largest contribution coming from Housing

Civil engineering works declined by 22.5%, but should partially recover in 2026.

Public policy will be crucial for the sector in 2026: both from housing policy, and increased spending on public works**.**

Housing

In 2025, the mortgage market declined by 2.9% in terms of loan origination value, driven by a contraction in bank lending and an increase in Infonavit activity.

Demand remains subdued; improvements in employment and income point to a gradual recovery.

Housing construction and inventories are picking up again, with an emphasis on social housing.

Housing prices are accelerating again.

State-Level

Growth in the housing market is concentrated in the main metropolitan areas.

Average loan amounts are higher in metropolitan areas and in the northwest region.

Housing prices are increasing across all states, with tourist areas standing out.

Delinquency

Infonavit's delinquency rate rose to 21% in 2025, well above that of the banking sector.

Infonavit's social model differs from the banking model due to payment deferrals and social collection practices, making key indicators less comparable.

Infonavit borrowers are more sensitive to economic shocks, and affordability constraints are more evident

Civil Engineering Works

The role of the public sector is crucial in civil engineering.

Spending cuts on public works over the past couple of years have led to a contraction in this subsector.

Now in 2026, a 10.9% increase in the budget for this type of work would reverse the downward trend in civil engineering.

The implementation of mixed contracts would be very positive.

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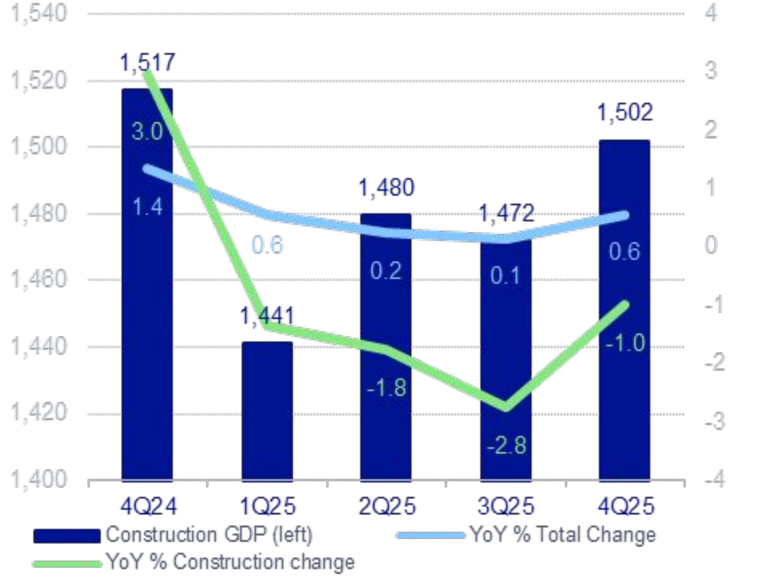
Construction meets negative expectations

Construction falls by 1.0% at the end of 2025

TOTAL AND CONSTRUCTION CUMULATIVE GDP
(BN OF CONSTANT PESOS AND YOY % CHANGE)



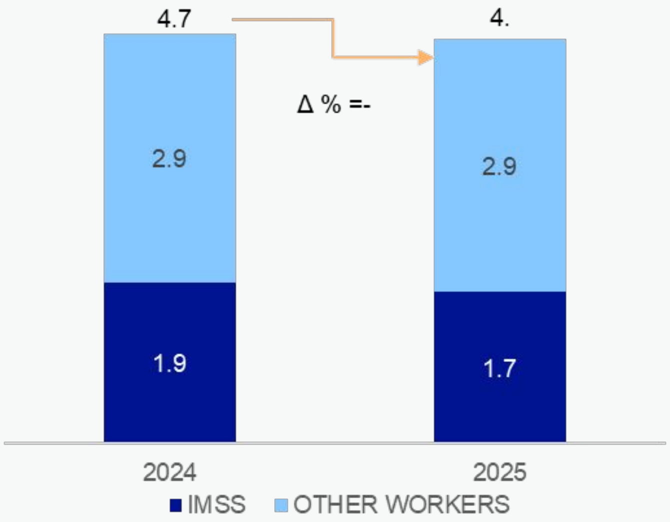
CONSTRUCTION CUMULATIVE GDP
(YOY % CHANGE)

Source: BBVA Research with data from SCNM, Inegi

As expected, the collapse in Civil Works (-22.5%) would offset the strong performance of Building Construction (4.3%).

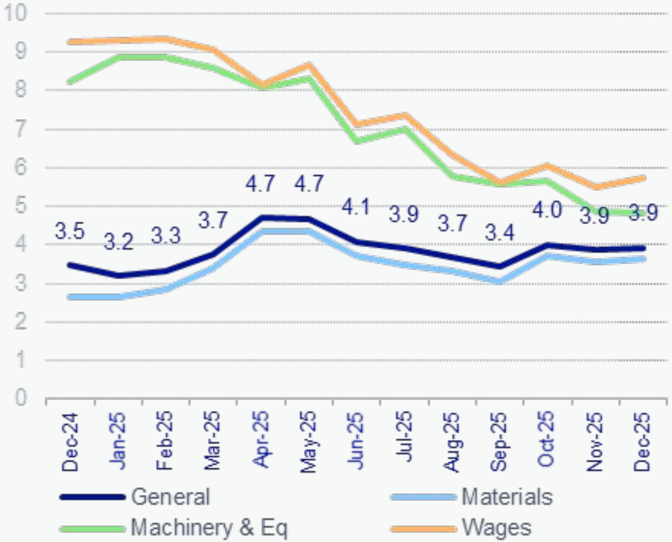
This was reflected in a lower demand for labor

AVERAGE CONSTRUCTION EMPLOYMENT
(MILLIONS OF WORKERS AND YoY % CHANGE)



Source: BBVA Research with data from Inegi and IMSS

NPPI CONSTRUCTION INPUTS
(YoY % CHANGE)

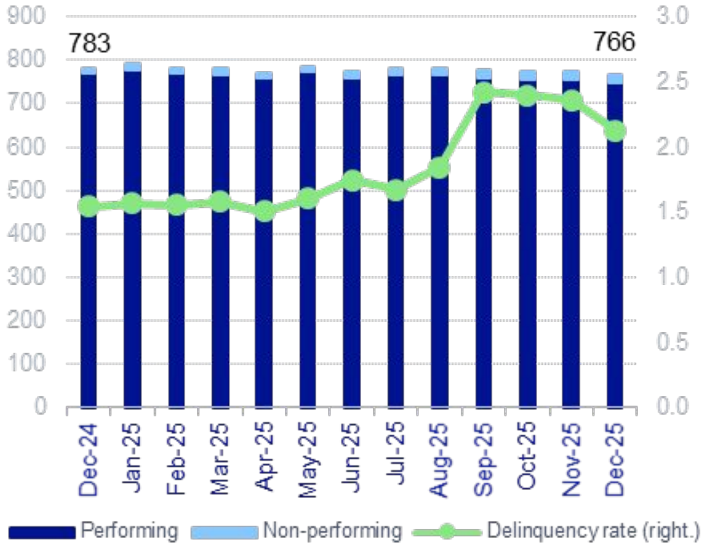


Source:: BBVA Research with data from Inegi

In part because personnel wages remains the cost with the largest increases for construction firms.

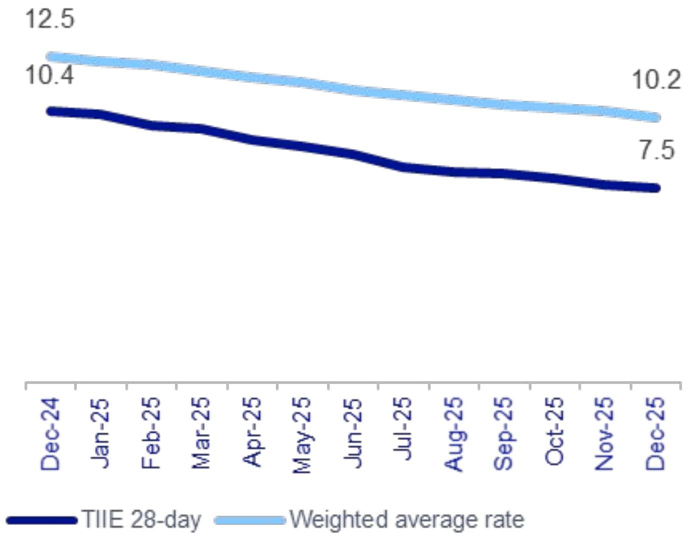
There is also lower demand for credit…

BANK CREDIT BALANCE TO CONSTRUCTION (BILLIONS OF CONSTANT PESOS AND PERCENTAGE)



Source: BBVA Researchwith data from Banco de México

CONSTRUCTION INTEREST RATES AND 28-DAY TIIE (NOMINAL ANNUAL RATE)

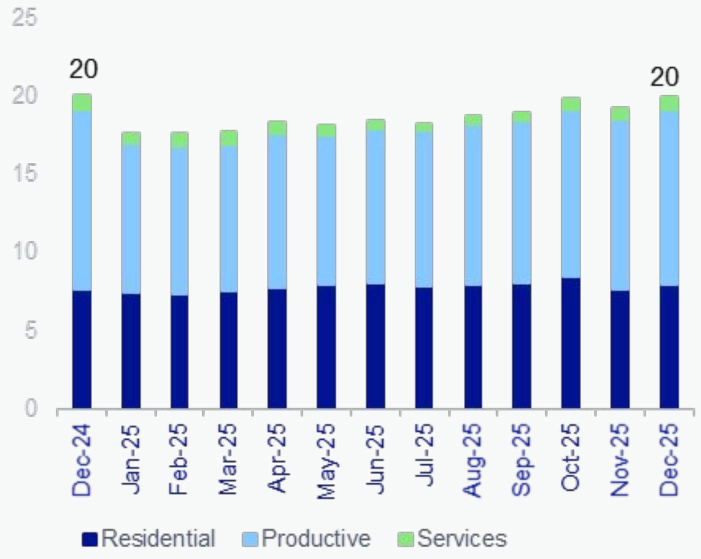


Source: BBVA Research with data from Banco de México and CNBV

despite the fact that the cost of credit has declined on average thanks to the easing of monetary policy

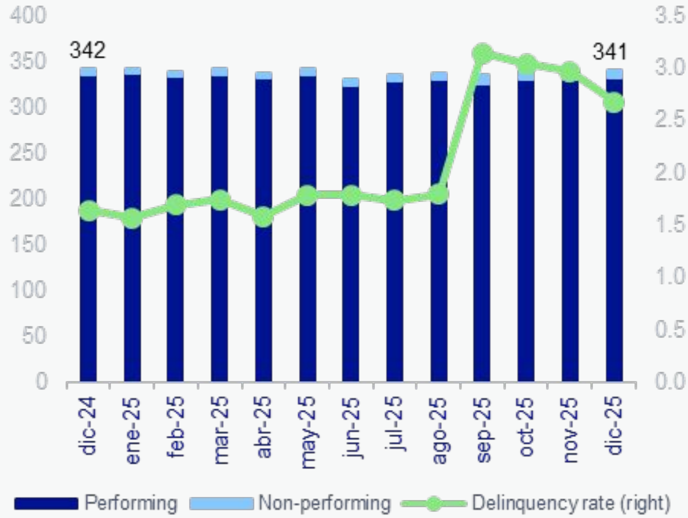
Building construction begins to pick up pace…

BUILDING CONSTRUCTION OUTPUT VALUE
(BILLIONS OF CONSTANT PESOS)



Source: BBVA Research with data from ENEC, Inegi

BANK CREDIT BALANCE TO BUILDING CONST.
(BILLIONS OF CONSTANT PESOS AND %)

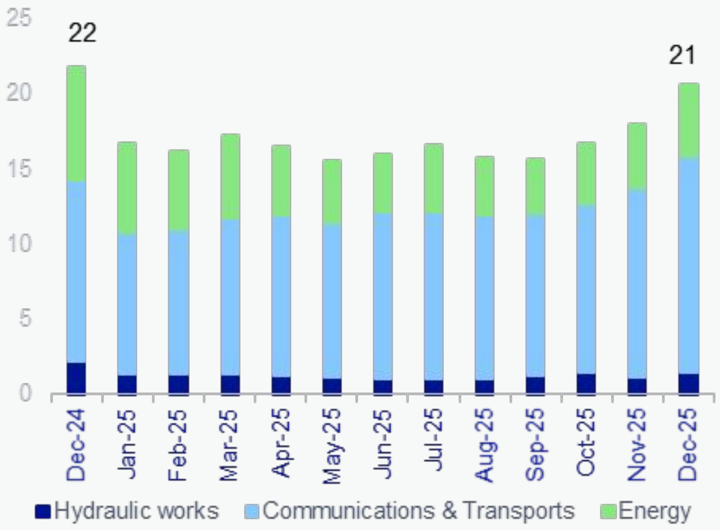


Source: BBVA Research with data from Banco de México

driven by its Residential component, partly due to the new housing policy

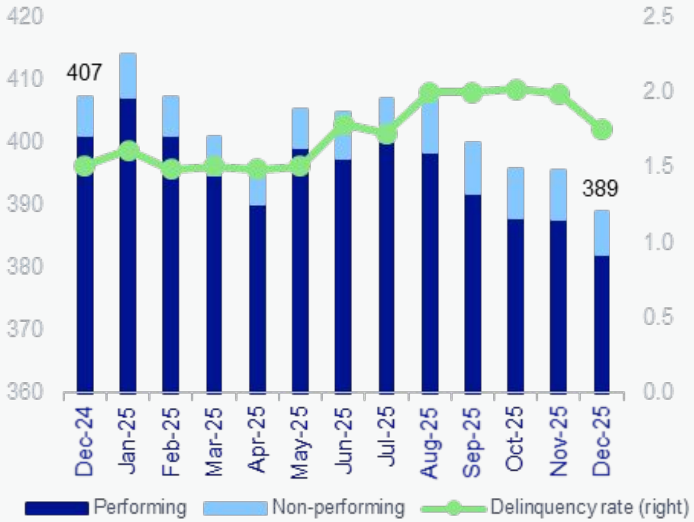
In contrast, Civil Works continues to decline…

CIVIL WORKS OUTPUT VALUE
(BILLIONS OF CONSTANT PESOS)



Soure: BBVA Research with data from ENEC, Inegi

BANK CREDIT BALANCE TO CIVIL WORKS
(BILLIONS OF CONSTANT PESOS AND %)

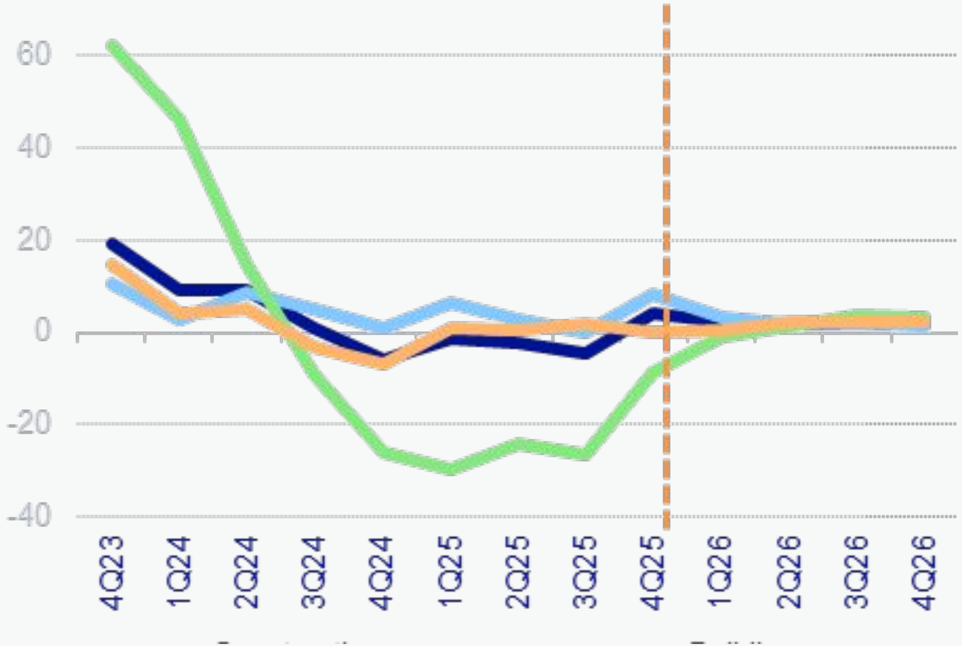


Source: BBVA Research with data from Banco de México

amid budget cuts for public works for the second consecutive year.

In 2026, construction sector will return to growth

Construction GDP Forecast
(YoY % CHANGE)



Sorce: BBVA Research with data from Inegi

Building Construction

The main pillar will be the dynamism in Building Construction, driven by its Residential component.

Civil Works Boost

The 10.9% increase in the budget for public works will boost Civil Works.

Infrastructure Potential

If the additional resources for infrastructure are effectively deployed, this subsector could accelerate.

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Housing market in transition

Lower dynamism in mortgage loans supported by the public sector

NUMBER OF LOANS AND MORTGAGE FINANCING AMOUNT

(BILLIONS OF DECEMBER 2025 PESOS IN CUMULATIVE TERMS AND YOY % CHANGE)

New mortgages	Number of credits (thousand)			Credit amount (billion pesos)			Average credit amount (thousand)		
	Dec-24	Dec-25	YOY %	Dec-24	Dec-25	Real YOY %	Dec-24	Dec-25	Real YOY %
Public Istitutes	**403.3**	**407.1**	**0.9**	**282.5**	**290.2**	**2.7**	**700**	**713**	**1.8**
Infonavit	367.3	376.3	2.5	245.6	256.9	4.6	669	683	2.1
Fovissste	36.0	30.8	-14.4	36.9	33.3	-9.8	1,025	1,081	5.5
Private*	**120.5**	**114.2**	**-5.2**	**311.2**	**286.4**	**-8.0**	**2,583**	**2,508**	**-2.9**
Banks 1/	120.5	114.2	-5.2	311.2	286.4	-8.0	2,583	2,508	-2.9
Other									
Subtotal	**523.8**	**521.3**	**-0.5**	**593.7**	**576.6**	**-2.9**	**1,133**	**1,106**	**-2.4**
Co-financing 2/ (-)	9.1	9.0	-1.1						
Total	**514.7**	**512.3**	**-0.5**	**593.7**	**576.6**	**-2.9**	**1,153**	**1,126**	**-2.4**

*While other private credit institutions exist (such as unregulated agents), they are not included due to the lack of reliable public information.
1/ Includes: loans for the acquisition of new and existing housing, self-construction, restructuring, refinancing, liquidity, and loans for former employees of financial institutions.
2/ Loans granted in conjunction with Infonavit and Fovissste.
Note: the inflation adjustment factor is based on the Sociedad Hipotecaria Federal (SHF) housing price index, Base 2017=100.
Source: BBVA Research with data from Infonavit, Fovissste, CNBV, SHF.

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Housing acquisition with mortgages remains contained

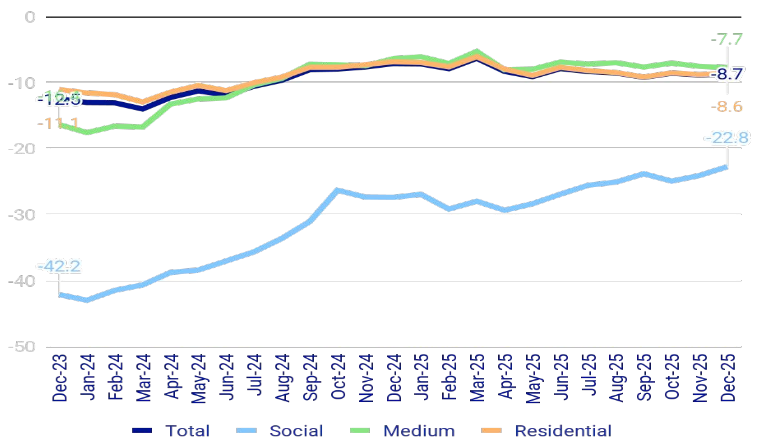
NUMBER OF LOANS AND MORTGAGE FINANCING AMOUNT FOR HOME PURCHASE
(BILLIONS OF DECEMBER 2025 PESOS IN CUMULATIVE TERMS AND ANNUAL % CHANGE)

New mortgages (Home Purchase)	Number of credits (thousand)			Credit amount (billion pesos)			Average credit amount (thousand)		
	Dec-24	Dec-25	YOY %	Dec-24	Dec-25	Real YOY %	Dec-24	Dec-25	Real YOY %
Public Istitutes	**380.0**	**394.4**	**3.8**	**267.9**	**282.5**	**5.4**	**705**	**716**	**1.6**
Infonavit	344.3	363.7	5.6	231.3	249.3	7.8	672	685	2.0
Fovissste	35.7	30.7	-14.0	36.6	33.2	-9.3	1,025	1,081	5.5
Private*	**99.6**	**94.8**	**-4.8**	**261.6**	**240.6**	**-8.0**	**2,627**	**2,538**	**-3.4**
Banks 1/	99.6	94.8	-4.8	261.6	240.6	-8.0	2,627	2,538	-3.4
Other									
Subtotal	**479.6**	**489.2**	**2.0**	**529.5**	**523.1**	**-1.2**	**1,104**	**1,069**	**-3.1**
Co-financing 2/ (-)	9.0	8.8	-2.2						
Total	**470.6**	**480.4**	**2.1**	**529.5**	**523.1**	**-1.2**	**1,125**	**1,089**	**-3.2**

*While other private credit institutions exist (such as unregulated agents), they are not included due to the lack of reliable public information.
1/ Includes: loans for the acquisition of new and existing housing
2/ Loans granted in conjunction with Infonavit and Fovissste.
Note: the inflation adjustment factor is based on the Sociedad Hipotecaria Federal (SHF) housing price index, Base 2017=100.
Source: BBVA Research with data from Infonavit, Fovissste, CNBV, SHF.

The average mortgage decreases for the second year in a row

BANK MORTGAGE AMOUNT
(YoY % CHANGE, PERCENTAGE)



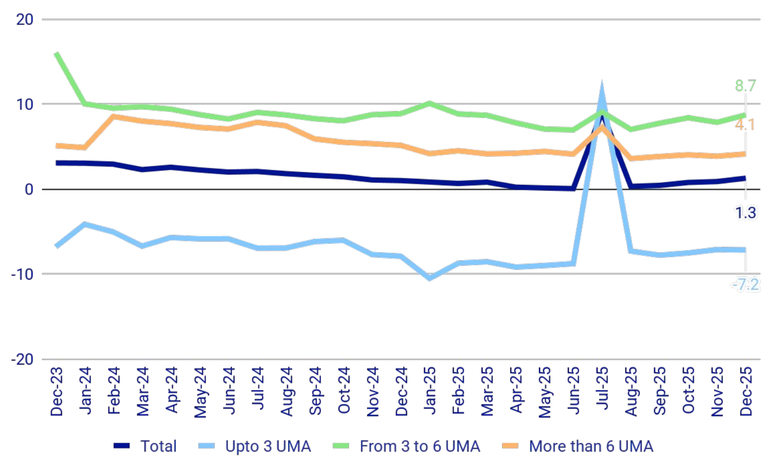
AVERAGE MORTGAGE (COMMERCIAL BANKING)
(THOUSANDS OF PESOS AND YoY % CHANGE)

Source: BBVA Research with data from CNBV

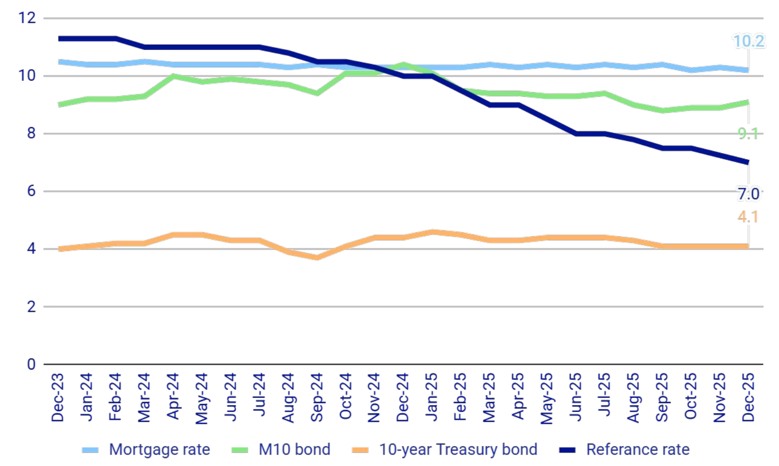
The average amount for middle-income and residential housing decreases.

Employment resumes growth at the end of the year, primarily in higher income segments

IMSS INSURED WORKERS BY WAGES IN UMA
(YoY % CHANGE, PERCENTAGE)



INTEREST RATES
(ANNUAL NOMINAL RATE, %)

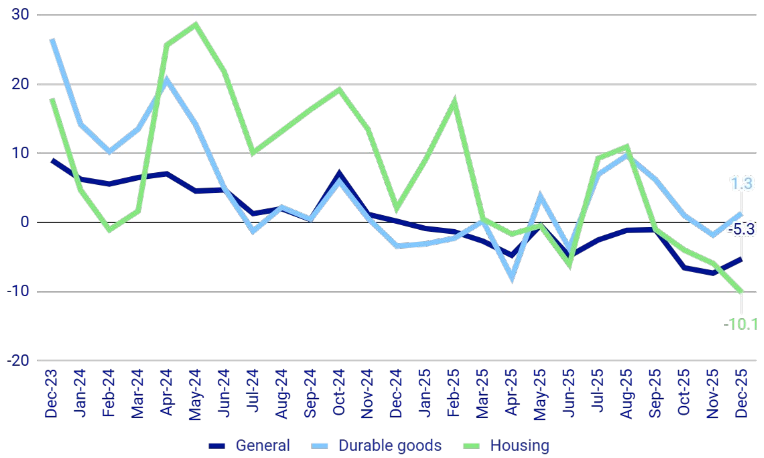


Source: BBVA Research with data from IMSS and CNBV

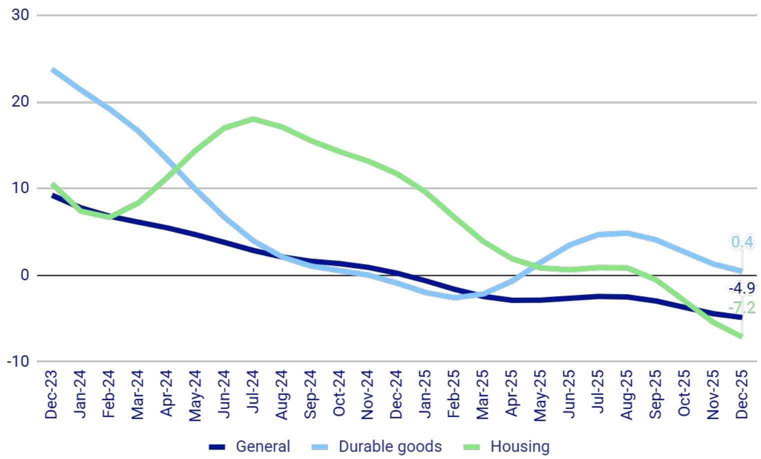
But not enough to increase demand. The mortgage rate remains stable, as does the M10 bond

Greater caution in housing investment

CONSUMER CONFIDENCE
(YoY % CHANGE)



CONSUMER CONFIDENCE (TREND-CYCLE)
(YoY % CHANGE)

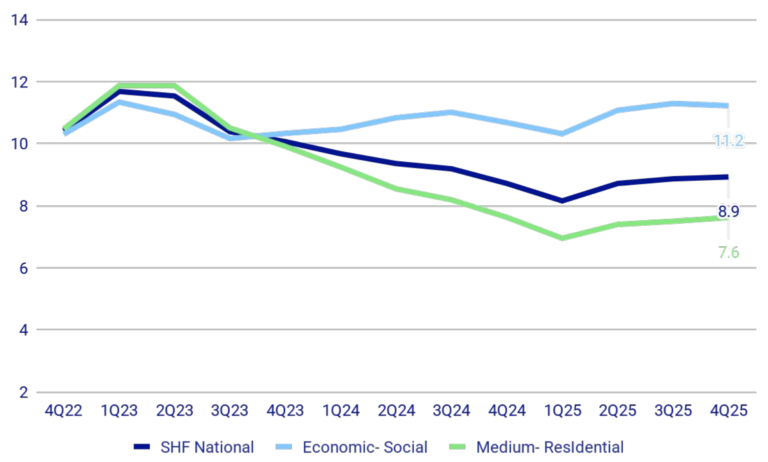


Source: BBVA Research with data from Inegi

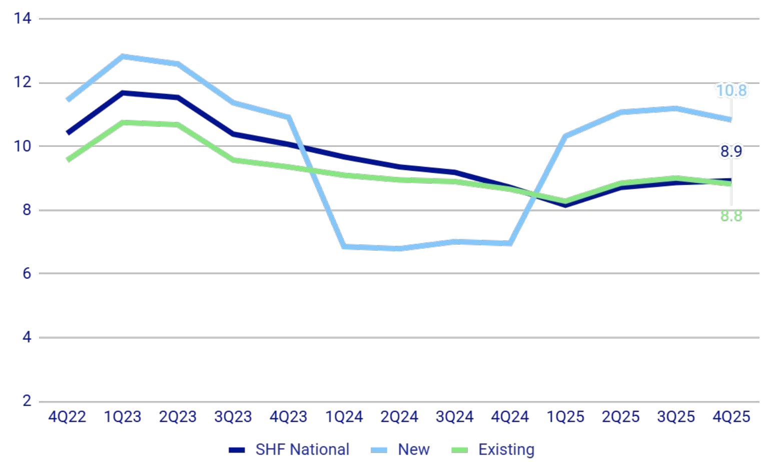
in spite of the new Vivienda del Bienestar program

Housing prices are picking up acceleration again

HOUSING PRICE INDEX - VALUE SEGMENT
(YOY % CHANGE)



HOUSING PRICE INDEX - USE
(YOY % CHANGE)

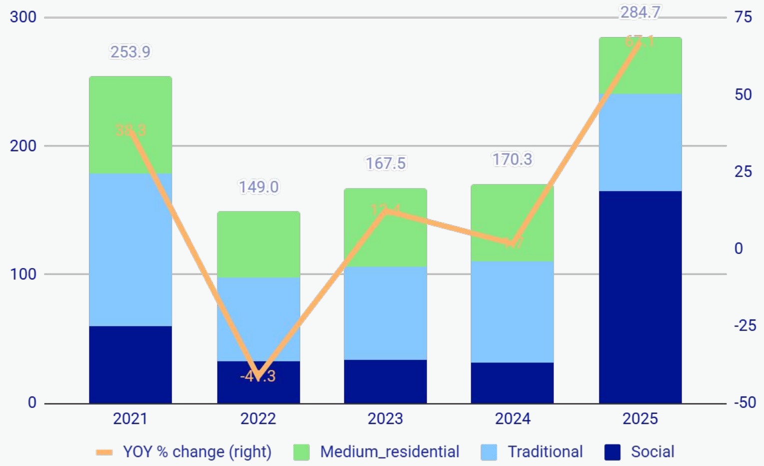


Source: BBVA Research with data from SHF

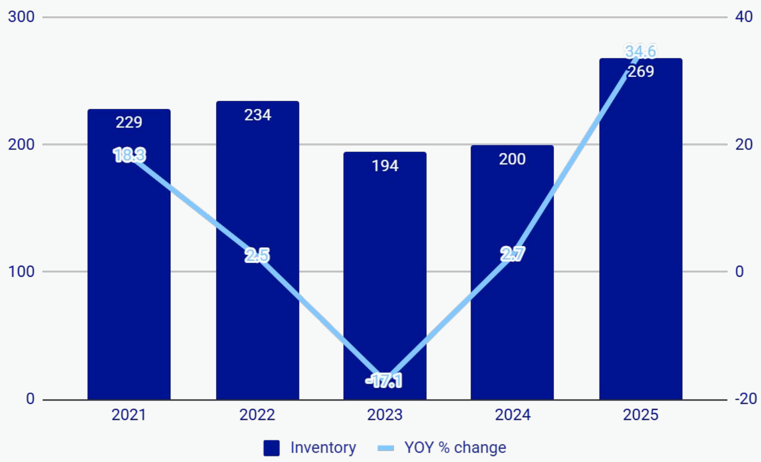
Housing prices increased by 8.7% at an annual rate, returning to the long-term trend.

Housing construction increases to levels seen in 2016

HOUSING PROJECTS IN THE RUV 2025
(THOUSANDS OF UNITS AND YOY % CHANGE)



HOUSING INVENTORY IN RUV 2025
(THOUSANDS OF UNITS AND YOY % CHANGE)



Source: BBVA Research with data from RUV

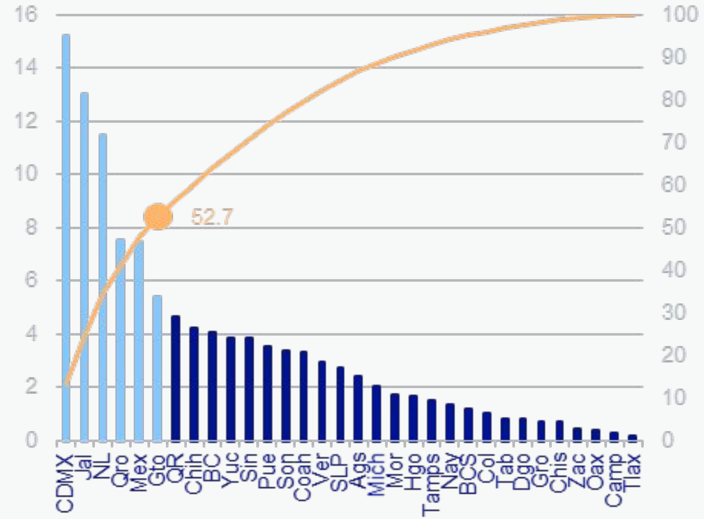
and mainly in social housing

Research

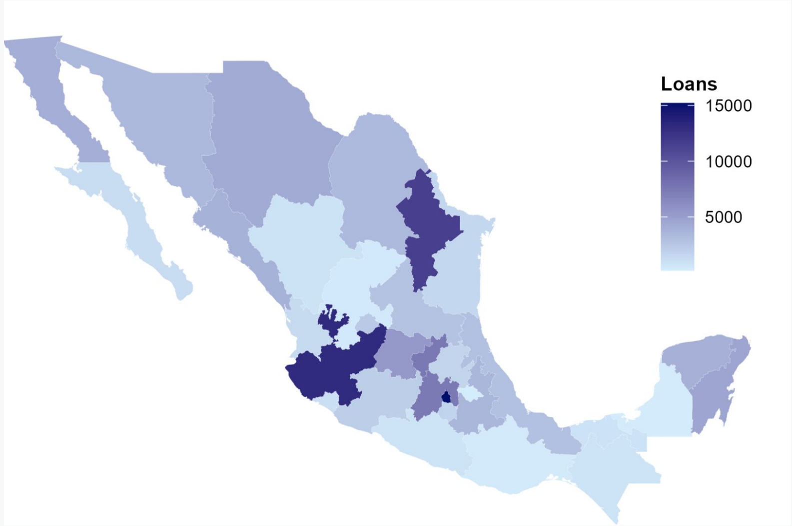
Housing concentrated in key regions

High concentration of loans in metropolitan areas

BANK MORTGAGE LENDING 2025
(THOUSANDS OF LOANS AND CUMULATIVE % SHARE)



BANK MORTGAGE LENDING 2025
(THOUSANDS OF LOANS)

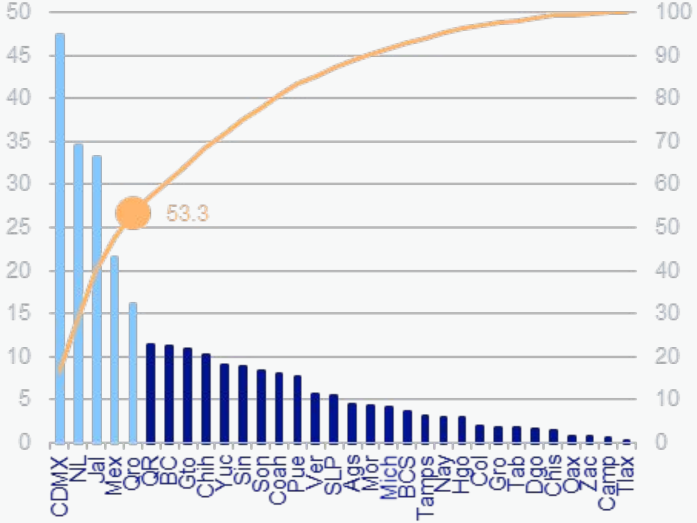


Source: BBVA Research with data from CNBV

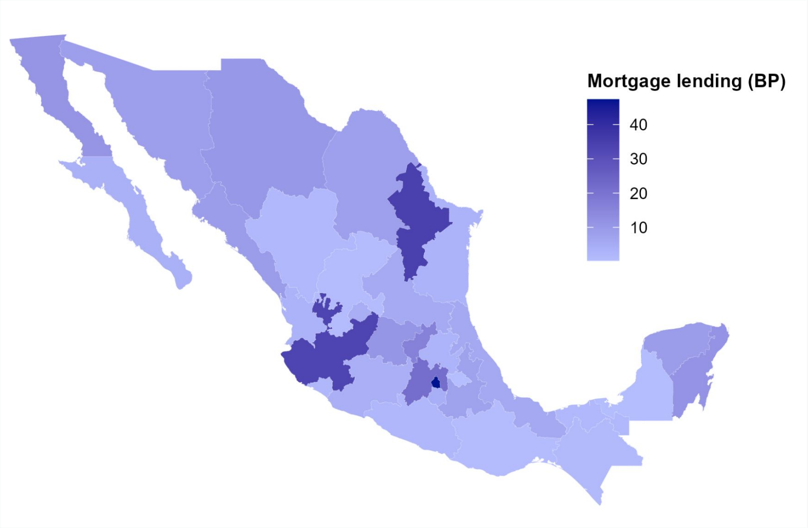
In four states, the number of loans increased compared to 2024, but with a small contribution to the national total.

As with the amount disbursed

BANK MORTGAGE LENDING 2025
(BILLIONS OF CONSTANT PESOS AND CUM. % SHARE)



BANK MORTGAGE LENDING 2025
(BILLIONS OF CONSTANT PESOS)

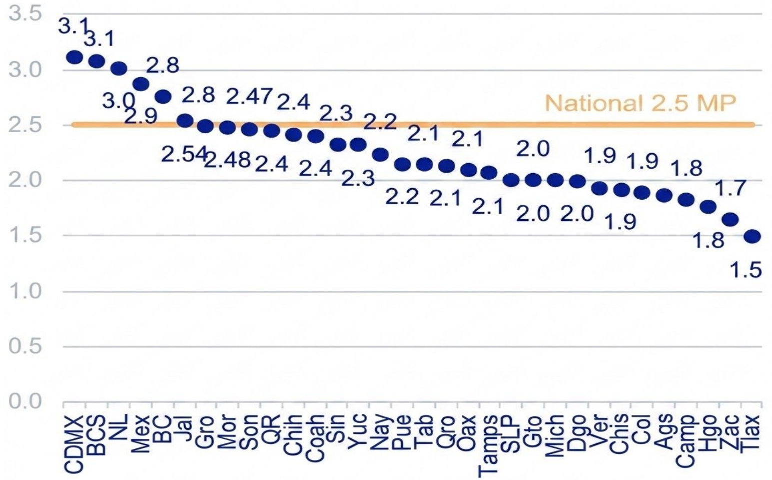


Source: BBVA Research with data from CNBV

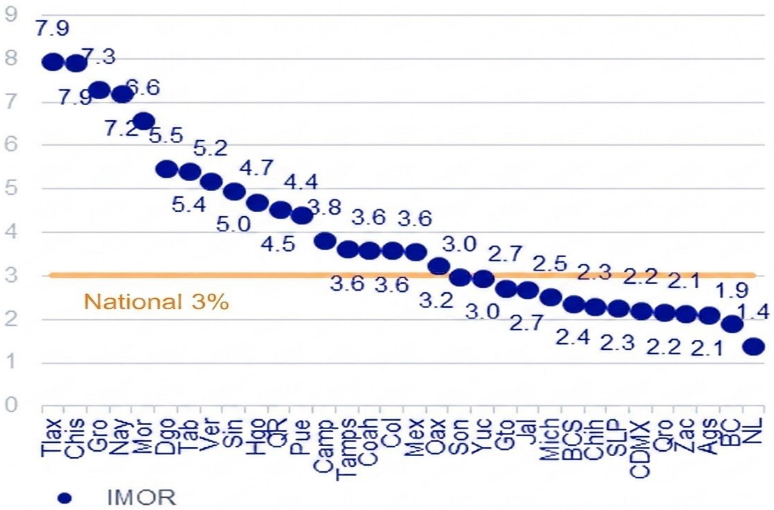
Three states showing recovery: Guerrero, Nayarit, and Chiapas.

The average loan amount is above the national level in metropolitan areas and the northwest

AVERAGE BANK MORTGAGE LOAN 2025
(MILLIONS OF PESOS)



BANK MORTGAGE DELINQUENCY
(PERCENTAGE)

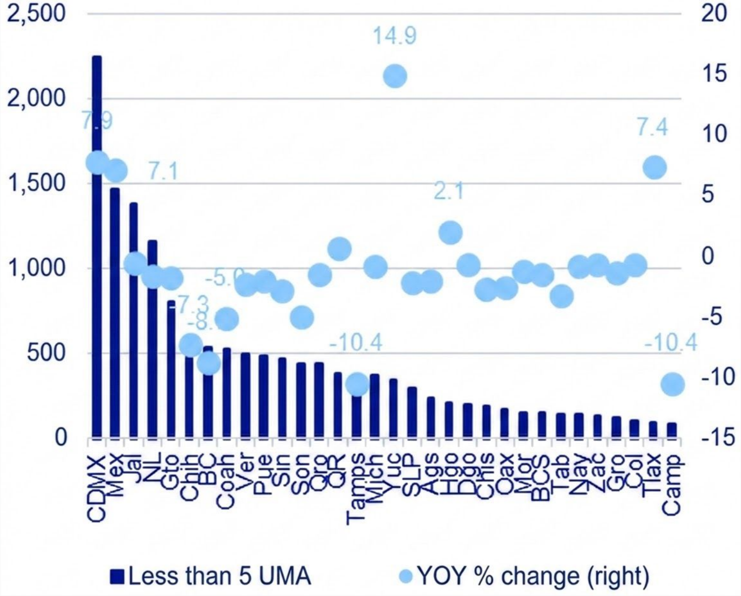


Source: BBVA Researchwith data from CNBV

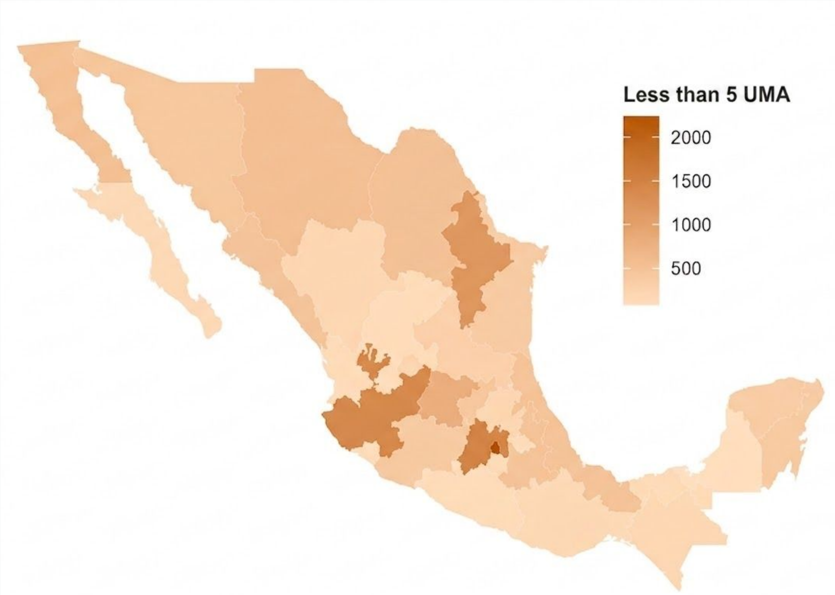
Delinquency is accelerating in southern and southeastern states.

Low-income employment is concentrated in metropolitan areas

IMSS EMPLOYMENT BELOW 5 UMA 2025
(THOUSAND OF WORKERS AND YOY % CHANGE)



IMSS EMPLOYMENT BELOW 5 UMA 2025
(THOUSAND OF WORKERS)

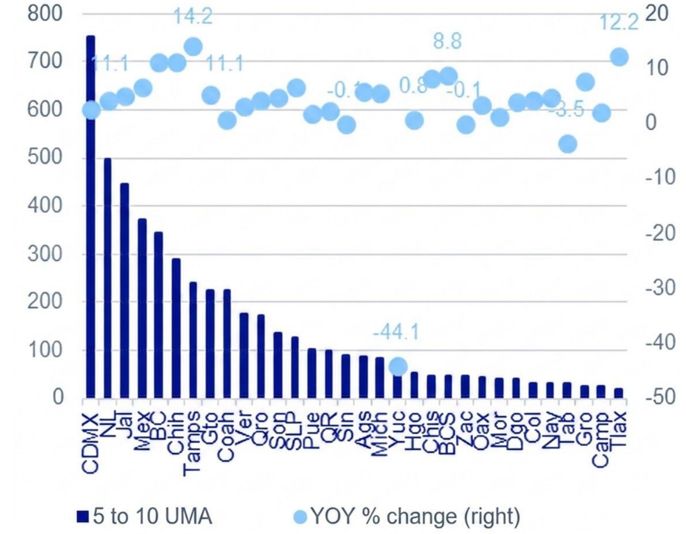


Source: BBVA Research with data from IMSS

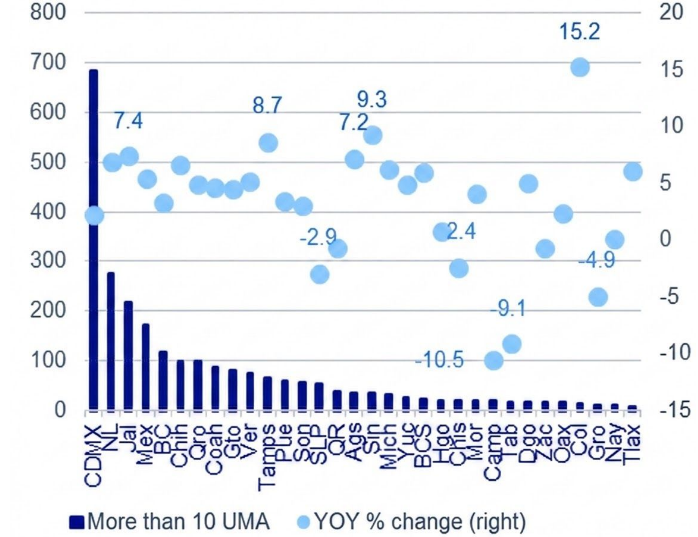
And it is increasing in the border region.

Middle and high-income jobs are growing in the north

IMSS EMPLOYMENT FROM 5 TO 10 UMA 2025
(THOUSAND OF WORKERS AND YOY % CHANGE)



IMSS EMPLOYMENT ABOVE 10 UMA 2025
(THOUSAND OF WORKERS AND YOY % CHANGE)

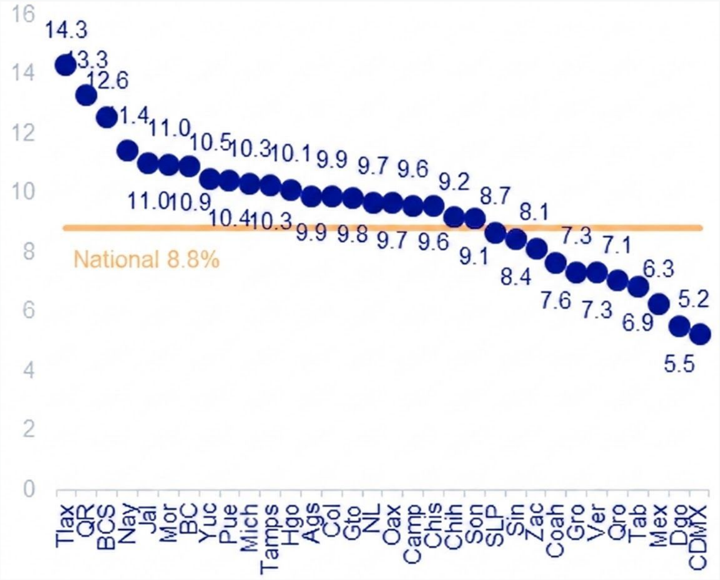


Source: BBVA Research with data from CNBV

Northern and Bajío states are driving employment growth and generating stronger mortgage portfolios.

Greater dynamism in tourist and northern states

HOUSING PRICE APPRECIATION Q4 2023 TO Q4 2025
(AVERAGE YOY % CHANGE)



HOUSING PRICE APPRECIATION Q4 2023 TO Q4 2025
(AVERAGE YOY % CHANGE)

Source: BBVA Researchwith data from SHF

High average appreciation over the past two years, with metropolitan areas stabilizing.

Research

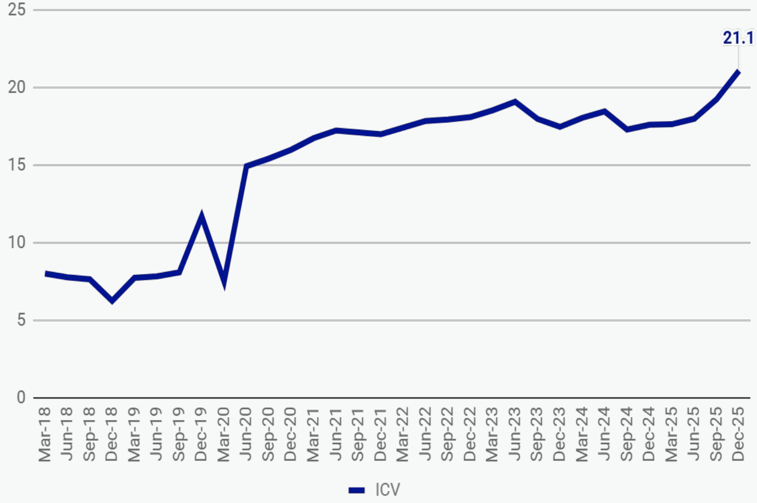
Infonavit delinquency: a social, not financial, calculation

Delinquency on the rise

BANK MORTGAGE DELINQUENCY INDEX 2018–2025 (PERCENTAGE)

Source: BBVA Researchwith data from CNBV

INFONAVIT NON-PERFORMING LOAN RATIO 2018–2025 (PERCENTAGE)



Source: BBVA Research with data from Infonavit

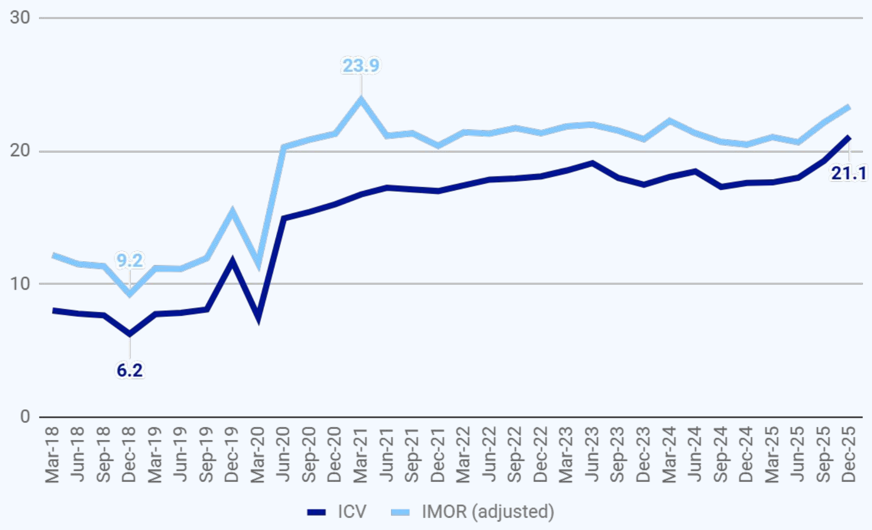
Upward trend in the non-performing loan ratio due to various factors

The portfolio in extension prioritizes willingness to pay.

Criteria	Infonavit portfolio in extension	CNBV Stage 2
Payment delinquency	There may be no enforceable past-due amounts	There may be moderate delinquency
Days past due	Not applicable while under extension	Typical thresholds: 30–90 days
Risk assessment	Administrative / social	Quantitative and forward-looking
Change in probability of default	Implicit	Explicit and measured
Restructuring	May trigger an extension	Automatically triggers Stage 2 classification

Social Model vs. Financial Model

INFONAVIT NPL RATIO AND ADJUSTED DELINQUENCY INDEX 2018–2025 (%)



Source: BBVA Research with data from Infonavit

Portfolio Extension

Defers delinquency recognition, implying a latent financial risk.

Social Collection

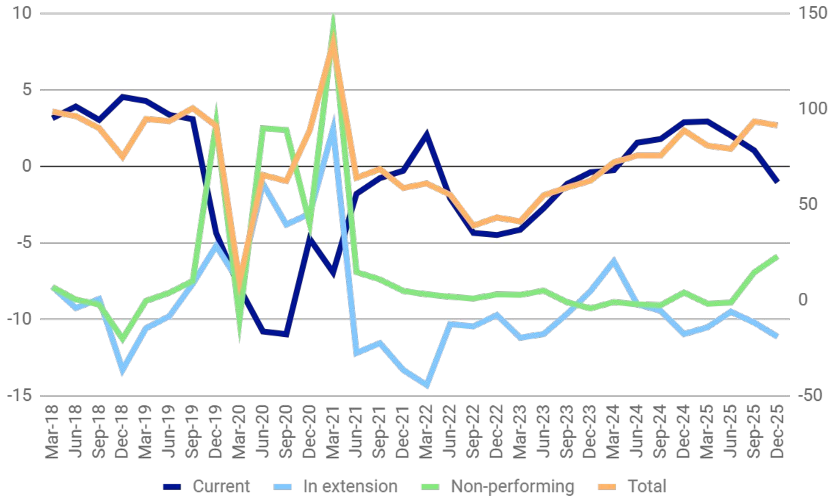
Prioritizes keeping borrowers in their homes, acknowledging willingness to pay.

Comparability

Banking sector benchmarks are limited as Adjusted Delinquency Ratios remain significantly higher.

Infonavit’s portfolio showing gradual recovery

TOTAL PORTFOLIO AND ITS COMPONENTS (%)



Source: BBVA Research with data from Infonavit

MARKET CONDITIONS

Despite efforts to increase lending, job losses and lack of affordability weigh heavily on origination.

PORTFOLIO EXTENSION

Increased due to COVID support programs and the slow recovery in employment.

NPL DYNAMICS

The non-performing portfolio reflects households’ actual repayment capacity.

Social Mandate Strained by Increasing Credit Delinquency

A structural divergence exists in the framework used to measure and manage risk: while the banking sector operates under strictly prudential and regulatory criteria, Infonavit incorporates a social dimension that prioritizes housing retention and worker stability.

Social Shock Absorbers

Payment deferrals and the social collections model act as shock absorbers in the face of economic disruptions, particularly during periods of crisis.

Institutional Decision-Making

The Institute’s delinquency indicator reflects not only financial performance, but also an institutional decision regarding how and when default is recognized.

Evolutionary Drivers

The evolution of Infonavit’s loan portfolio reflects the interplay between public policy decisions, labor market conditions, and institutional strategies (2019-2025).

Future Financial Impact

Deterioration in Infonavit’s portfolio could translate into higher mortgage rates or lower returns on the Housing Subaccount (SCV).

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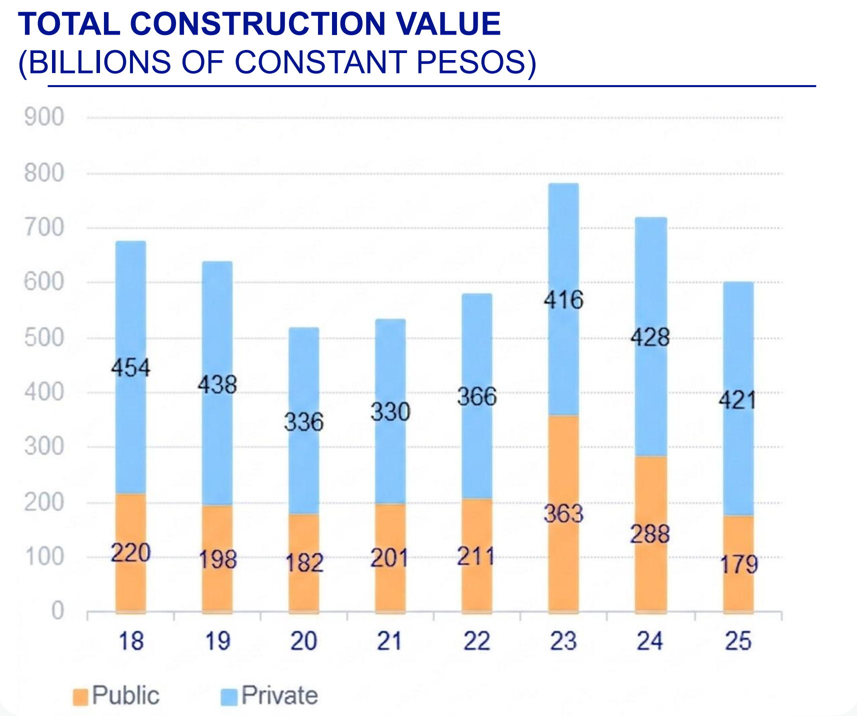
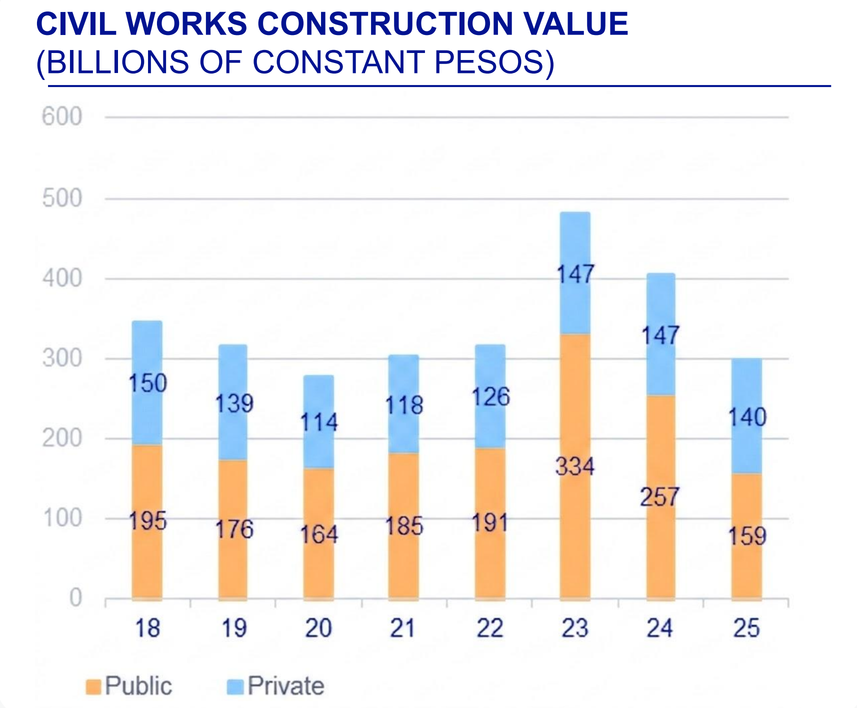
Civil works are expected to reverse the negative trend

Construction value decreases driven by civil works



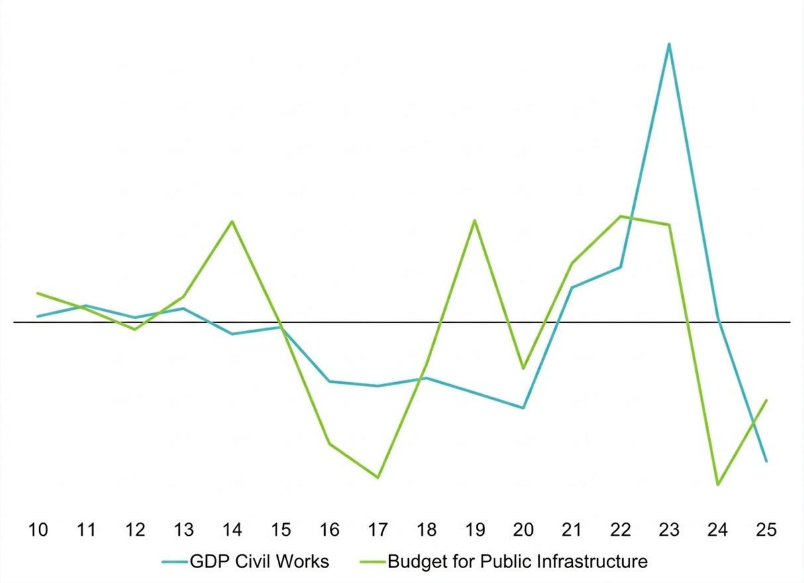


Source: BBVA Research with data froma ENEC, Inegi

The private sector dominates total construction value, but the public sector leads in the case of civil works

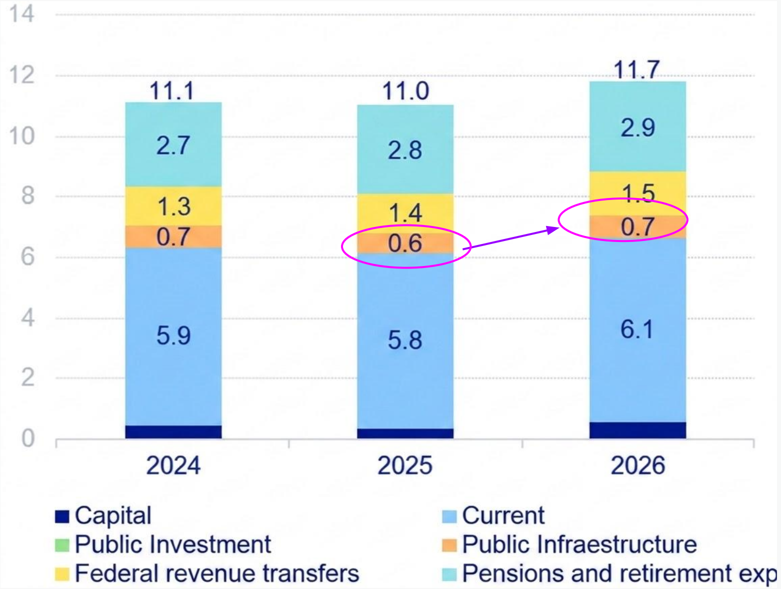
Civil works performance is tied to public infrastructure spending

CIVIL WORKS GDP AND PUBLIC SPENDING BUDGET (PEF) (YOY % CHANGE)



: BBVA Research with data from Inegi y SHCP

PUBLIC SPENDING BUDGET (BILLIONS OF CONSTANT PESOS)

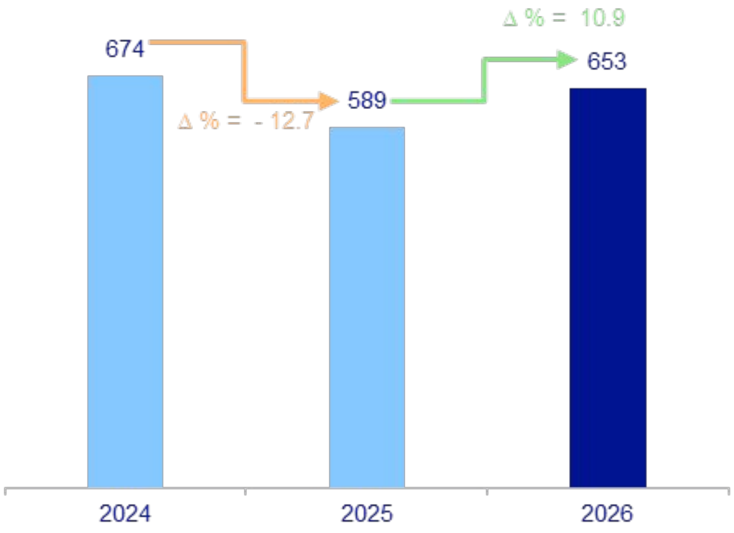


Source: BBVA Research with data from SHCP

After two years of cuts, the budget for public works increases slightly

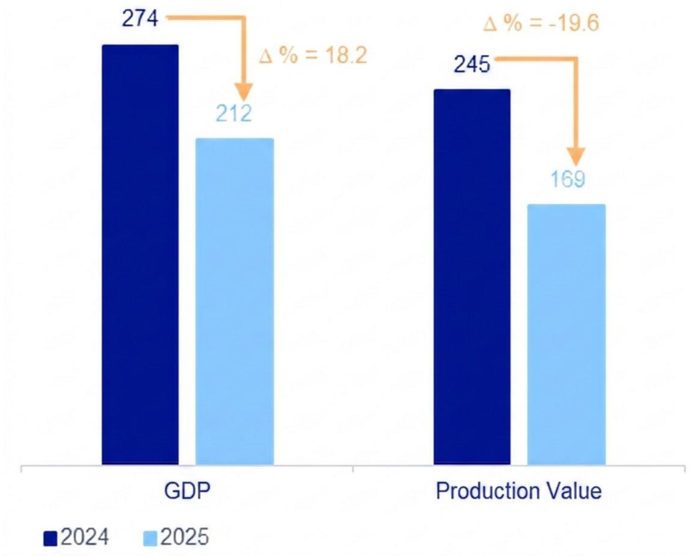
The 12.7% cut in spending explains the declines in 2025

PEF CIVIL WORKS
(BILLIONS OF CONSTANT PESOS)



Source: BBVA Research with data from SHCP

GDP AND CIVIL WORKS PRODUCTION VALUE
(BILLIONS OF CONSTANT PESOS)



Source: BBVA Research with data from Inegi

However, this is expected to change in 2026 due to a 10.9% increase in the PEF.

The high geographic concentration of spending remains…

PEF CIVIL WORKS 2025
(BILLIONS OF CONSTANT PESOS)

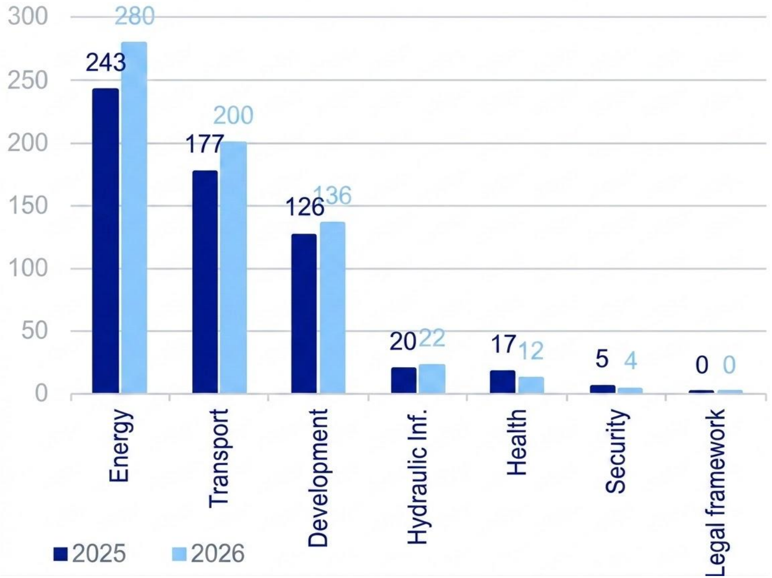
PEF CIVIL WORKS 2026
(BILLIONS OF CONSTANT PESOS)

Source: BBVA Research with data from SHCP

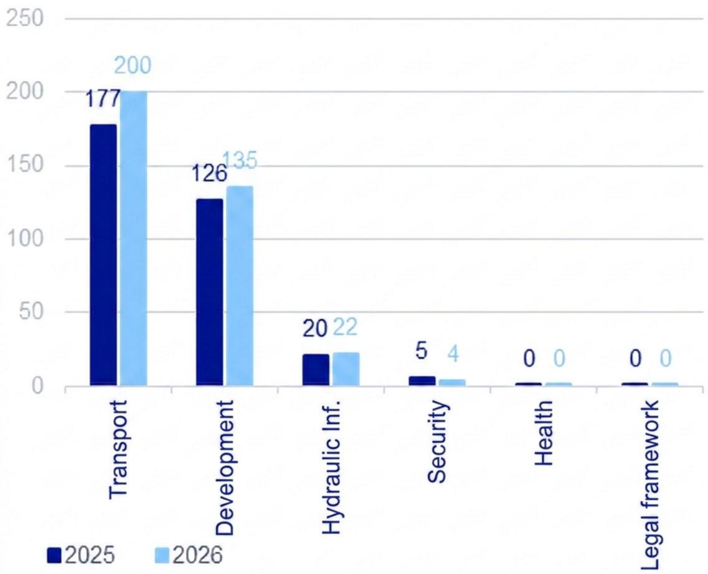
although northern and western states have a higher share in 2026 than a year earlier

Energy and transportation show the most significant increases

PEF PUBLIC WORKS
(BILLIONS OF CONSTANT PESOS)



PUBLIC WORKS BUDGET (PEF) – FISCAL RESOURCES (BILLIONS OF CONSTANT PESOS)



Source: BBVA Research with data from SHCP

The greatest opportunities will arise in projects related to transportation and economic development.

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Research

Abril 2026

Situación Inmobiliaria