

# CPDA ARQUITECTOS

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## HIGH-FIDELITY DENSITY™

*Architecture as a Financial Engine for the Existing City*

Urban Infill · Adaptive Reuse · Mexico City

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MEXICO CITY · 2026 PUBLIC POSITION PAPER

## THE PROBLEM

# The era of greenfield development in Mexico City is over.

What remains is not a shortage of assets. It is a shortage of operators.

**The land is not the constraint. The capability to read it is.**

Every significant urban corridor in this city contains buildings that are structurally intact, legally viable, and financially frozen. Not distressed — frozen. The difference matters: distressed assets require rescue. Frozen assets require a decision.

The market already knows this. Institutional capital has been circling these corridors for years — evaluating, modeling, and ultimately passing. Not because the returns aren't there. Because the operators who can extract them don't exist at the scale capital requires.

That is a structural gap. It has been widening for a decade. And it will not close on its own.

**"The city is not underbuilt. It is understructured."**

## THE THESIS

# Design is where value is set.

*Everything after is execution.*

## I · ARCHITECTURE AS CAPITAL ALLOCATION

The industry treats design as a cost to be managed. We treat it as a capital allocation decision — with direct consequences for revenue, CAPEX, and risk. Most firms produce buildings. We produce performing assets.

**Three outcomes are non-negotiable from day one:**

- **Revenue** — unit mix, program configuration, marketable area
- **CAPEX** — structural reuse, construction sequence, material efficiency
- **Risk** — regulatory path, absorption timeline, exit optionality

*We have walked away from projects where these three vectors could not converge at feasibility. That discipline is what makes the ones we execute perform.*

II · HIGH-FIDELITY DENSITY™

## Density is not the objective. Performance is.

*More floor area is not a better outcome. It is often a worse one.*

Past a calibrated threshold, additional density increases construction cost per m<sup>2</sup>, compresses absorption, and triggers regulatory exposure — with no proportional gain in revenue.

We documented this failure across multiple projects: the last 20% of theoretical density consumed 35–40% of remaining budget and absorbed 60% slower than the core program. We don't accept that trade-off.

### 01 Spatial Efficiency

Livable, marketable area — not gross floor plate

### 02 Market Fit

Unit typology calibrated to verified demand

### 03 Regulatory Alignment

Maximum buildable within real approval timelines

### 04 Economic Performance

Revenue, CAPEX, absorption — modeled simultaneously

**"We don't add density. We price it correctly."**

## THE MODEL

## The building already exists. The business case doesn't yet.

Underperforming buildings are not broken assets. They are assets operating under the wrong program. The gap between current performance and realizable potential is not a construction problem. It is a structuring problem.

INPUT	CPDA	OUTPUT
Underperforming Asset	Urban Value Structuring™	Performing Urban Asset
<ul style="list-style-type: none"> <li>· Low-density configuration</li> <li>· Obsolete / fragmented program</li> <li>· Regulatory inefficiency</li> <li>· Weak market positioning</li> </ul>	<ul style="list-style-type: none"> <li>· Program recalibration</li> <li>· Spatial reconfiguration</li> <li>· Regulatory strategy integration</li> <li>· Design-driven CAPEX efficiency</li> </ul>	<ul style="list-style-type: none"> <li>· Higher value per m<sup>2</sup> at exit</li> <li>· Reduced CAPEX via structural reuse</li> <li>· Accelerated absorption timeline</li> <li>· Defensible long-term asset basis</li> </ul>

## CASE SNAPSHOT

**Adaptive Reuse — Mixed-Use Infill — Mexico City***Commercial-to-residential conversion. Heritage-classified building. Constrained corridor.*

<b>ASSET</b>	6-story commercial building · Structurally sound · 34% occupied · ~2,400 m <sup>2</sup> GFA
<b>CORRIDOR</b>	Transitional urban zone. Confirmed residential demand. No comparable mixed-use supply. Underpriced relative to adjacent corridors.
<b>CONSTRAINTS</b>	Heritage facade classification · FSR cap 1.8 · Three-entity ownership structure · Two institutional operators had evaluated and passed.

**The constraint is not the obstacle. It is the position.**

<b>PROGRAM</b>	42 residential units · 22–48 m <sup>2</sup> per unit · Calibrated to verified rental demand curve, not maximum unit count. Heritage facade retained as regulatory barrier to competition.
<b>CAPEX</b>	Existing concrete frame reused in full. Construction cost: 23% below equivalent new-build. No remediation or demolition required.
<b>OUTCOME</b>	91% absorbed · 7 months · Exit value 34% above corridor average at project entry · Delivered in 26 months vs. 38–42 months for a cleared-site equivalent.

**+34%**

Exit value vs. corridor avg.

**91%**

Absorbed in 7 months

**–23%**

CAPEX vs. new-build

**26 mo.**

Delivery vs. 38–42 new-build

**"What others priced as risk, we priced as moat."****REUSE AS FINANCIAL MULTIPLIER**

Structural reuse has reduced CAPEX by 18–27% across our project set. In heritage environments, it has eliminated competing capital — compressing the field and protecting margin at exit.

**COMPLEXITY AS COMPETITIVE MOAT**

We operate in environments institutional capital has abandoned. Regulatory friction is not a risk factor in our model — it is a return driver. Heritage constraints, fragmented ownership, infrastructure complexity: these are the conditions under which we have consistently outperformed. Not despite them. Because of them.

## IV · WHAT THIS MEANS FOR INVESTORS

### WHERE VALUE IS CREATED

- At feasibility — before capital is deployed
- In the regulatory read — not the regulatory response
- Through program precision — not unit count maximization
- In assets the market has mispriced because no one knew how to structure them

### THE CPDA EDGE

**Capital preservation** Structural reuse eliminates the highest-risk phase of construction spend.

**Downside compression** Complexity-driven entry barriers reduce competing capital and protect exit pricing.

**Risk mitigation** Program is calibrated to verified demand before a single peso is committed.

**"The repricing is already underway. Position or observe."**

### WORK WITH CPDA

## The assets most operators reject are the ones we structure.

**We take on a limited number of engagements each year.**

*Not because of capacity. Because the work demands it.*

### We are the right partner if:

- You hold an asset that is structurally sound but underperforming — and the gap is structural, not cosmetic.
- You operate in constrained environments where heritage, regulation, or ownership complexity have eliminated most competition.
- Standard operators have declined — and you want to understand whether the constraint is a risk or a moat.

### We are not the right partner if:

- You prioritize speed over precision.
- The thesis depends on maximum density instead of calibrated performance.
- Design is treated as a cost, not a capital allocation decision.

### ENGAGEMENT FORMATS

- Asset structuring & investment thesis
- Feasibility — program, CAPEX, absorption
- Design-to-permit execution
- Regulatory strategy & heritage navigation

**"The repricing is already happening. The only question is who is structuring for it."**

**Complexity is our environment.**

**Density is our medium.**

**Execution is the only answer.**

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