

During 1994, many home builders took out bridging loans to finance construction. The devaluation and the economic crisis which followed brought this practice to a halt. According to industry observers, 85 percent of home builders are now in financial difficulty. The companies that are weathering the crisis well are mainly the large conglomerates.

Shortage of capital will remain the largest constraint to the housing sector in the short term. Construction companies also complain about the difficulty in obtaining land titles and building permits, which sometimes require the payment of illegal bribes. In addition, government building codes, which are extremely strict as a result of the 1985 earthquake, have been slow to adapt to changing technology.

TECHNOLOGY

The level of technology used in Mexican home building varies according to the targetted market. The majority of homes are stucco and plaster over brick, concrete block or poured concrete. Larger projects tend to use more sophisticated technologies. The biggest projects tend to be low- income housing developments, and many of them use more advanced building methods than those for individual middle- or high-end homes.

On the other hand, high-end homes use more sophisticated finishings. For example, such amenities as modern window systems, imported kitchen cabinetry and sprinkler systems are found only at the upper end of the market.

Most technological advances are aimed at reducing costs and construction time. The *Fideicomiso de Vivienda, Desarrollo Social y Urbano* of Mexico City is encouraging the use of such technologies to expedite the recovery of invested capital. Objections to new methods by trade unions has been an obstacle in the past. But there is recent evidence that unions are becoming more open to the use of new technologies.

Three main technologies are being adapted to the construction of low-income housing: steel panels, cellular concrete and light concrete or rolling cement plants.

Most of the companies interviewed for this profile said that the labour pool is large and relatively easily trained to use concrete and concrete-like substitutes. Wood and plastic, however, present significant training difficulties.