

Building systems that use steel are more readily acceptable, as long as they complement the use of concrete. Steel panels that allow quick pouring and drying of concrete are considered to have high potential demand.

In general, it is considered more appropriate to import the technologies rather than finished products. Foreign consultants are often regarded with some suspicion because they are considered to be unfamiliar with Mexican building styles.

Kaufman & Brand (K&B), for example, used a San Diego urban design company to plan the layout of its *Encinos* project in Lerma, State of Mexico, but it eventually reverted to Mexican specialists. Reportedly, the American consultants were eager to use more technology and wood than was acceptable to Mexican buyers.

PREFABRICATED HOMES

Industry observers agree that the market prospects for inexpensive prefabricated wood frame homes are not very promising. The traditional home in Mexico is constructed of brick or concrete and finished with plaster. Experts believe that this will continue to be the standard form of construction throughout Latin America for the foreseeable future.

There is, however, a small but promising market for prefabricated vacation homes, such as the Riverbend, Panabode and Yankee Barn types, to be used as second homes. These weekend and vacation homes are sized in the 160 to 250 square metre range. According to United States Department of Commerce estimates, imports of prefabricated houses rose dramatically from US \$13.8 million in 1993 to \$88 million in 1994. Even though the import market was projected to decrease by half during 1995, the market for prefabricated homes was expected to drop by only about 5 percent. Import penetration in 1994 was about 16 percent. The United States accounted for 92 percent of the import market.

Industry experts say that the market demands complete homes, including all fixtures and finishes. Suppliers will, therefore, have to arrange for subcontractors to provide these elements, which can be difficult to obtain in Mexico. Training will also be needed to familiarize Mexican workers with advanced building systems.

REGIONAL DEMANDS

Opportunities exist in resort development areas along the Pacific, particularly for foreign buyers. A demand for homes for factory workers is expected to grow in the border areas and in Monterrey, Guadalajara, Torreón, Puebla, and Veracruz. A similar demand for homes for workers may also grow in port cities because of the privatization of the port system and the growth of the tourist industry.