

# Housing Construction

## THE OPPORTUNITY

- Although few export sales have so far been recorded, the Mexican housing sector offers important opportunities for Canadian suppliers.
- In spite of the December 1994 devaluation of the peso, the housing industry will gradually recover, fuelled by a housing deficit estimated at almost 7 million units.
- Considerable public and private investment is being channelled towards new housing construction and renovation.
- Although Mexicans have a strong preference for traditional plaster-on-masonry construction, the huge shortfall is forcing builders to examine new technologies and advanced materials.
- Do-it-yourself renovation is a new, but growing, phenomenon which is creating a demand for many specialty products.

## PREJUDICE AGAINST WOOD

Mexican building traditions are derived from the nation's Spanish and indigenous ancestry. In a society exposed to ongoing strife, stone or cement houses offered protection against fire and violence. Moreover, they were considered a

permanent asset, to be left as a legacy for future generations.

Mexicans continue to perceive masonry houses as safe and prestigious, and they are prejudiced against the use of wood for structural purposes. They regard wood as vulnerable to a wide range of hazards, including fire, termites, tornadoes, rot and earthquakes. For the most part, consumers are unaware of advances in materials and construction methods that can eliminate these potential problems.

Another consideration is that Mexicans prefer homes that require little maintenance. The predominance of owner-built homes is also a major factor. Such homes are typically built a little at a time, and concrete and brick can be left exposed as the builder finishes the project, perhaps over a period of years.

These obstacles are reinforced by the policies of mortgage lenders and insurance companies. Traditional building codes also perpetuate the belief that wooden houses are vulnerable to fire and earthquakes.

Mexican construction companies understand the true characteristics of wood-frame homes and they have worked to educate consumers.



## SUMMARY REPORT

In addition to this market summary, the Department of Foreign Affairs and International Trade (DFAIT) has prepared a market profile entitled *Opportunities in Mexico: Housing Construction*. This market information on the Mexican housing construction market has been produced and published by Prospectus Inc. under contract with DFAIT, along with other market profiles and summaries on business opportunities in Mexico. It is available from:

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The market profiles are available in electronic form from the IBB or in hard copy at a cost of \$10.00 plus shipping and applicable taxes, from Prospectus Inc. Please contact:

Prospectus Inc. Order Department  
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January 1996

Cat. No. E73-9/41-1995-1E  
ISBN 0-662-23193-7

Disponible en français.

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