

COMMERCIAL OFFICE SPACE

The influx of foreign investors into Mexico and the general economic expansion has created a demand for top quality office space in the main urban centres. During 1992 and 1993, approximately 700,000 square metres of new office space were developed in Mexico City alone. A further 350,000 square metres is under construction. High demand has driven up the cost of office space in Mexico City, but prices are starting to decline as more and more office space comes on to the market.

The most common building materials for commercial construction are concrete, steel, glass, paving tile, cement blocks, and wood. There is a trend towards the use of advanced technologies and special materials, especially in the Mexico City area, which is subject to earthquakes. Advanced materials such as energy isolation products, intelligent building wiring, and pollution resistant finishing products are becoming more popular.

COST OF MEXICO CITY OFFICE SPACE, 1993

U.S. \$ PER SQUARE METRE

Type of Office Space	Average Monthly Rental Price	Average Sale Price
AAA	41	3,000
AA	23	1,764
A	18	1,155
B	15	977

Source: Joel Russel. *Real Estate Report Card. Business Mexico*, March 1994. p. 16.

There are opportunities for Canadian suppliers of high quality interior finishing products for commercial buildings. These should be particularly geared towards the triple A market which is currently the least serviced segment. Attention should be paid to the banking and financial community which has been one of the most active in purchasing, or remodeling of office space over the last few years.

In late 1993, Canada's Reichmann brothers publicly outlined their plans for three key developments in Mexico City. Reichmann International L.P., an association between the Reichmanns and G. Soros Realty, is developing:

- a one-block area near Mexico City's historic centre;
- a 42-story office tower along the financial strip; and
- a 30-building shopping, office and residential complex on the city's western outskirts.

