

5. END USER SECTORS

Mexico's population is approximately 86 million, of which 70 percent are under 30 years of age. With an estimated annual growth rate of 2 percent (during the last three decades, population growth averaged 3.2 percent), total population in Mexico will reach 100 million by the year 2000. Fifty-two percent of Mexico's total population live in towns with more than 15,000 inhabitants. Mexico City alone has 16 million inhabitants, followed by Guadalajara (4 million), Monterrey (3 million) and Puebla (2 million).

There were 16 million housing units throughout the country, based on the 1980 census. As of 1989, there are an estimated 17.6 million housing units. Of these, 68 percent are owned by their inhabitants, while the remainder are rented or belong to someone else. Only 6 percent of housing units have more than five rooms; 27 percent have between three and five rooms, and 68 percent have fewer rooms.

In order to cover the needs of an increasing population and to replace old housing, over 8 million units will have to be constructed between 1988 and 2000. Of these, 74 percent will be of low-income housing, 21 percent of middle-class housing and 5 percent of high to luxury housing.

According to the Centro Impulsor de la Construcción y la Habitación A.C. (CIHAC), private investment in construction has increased from \$11.9 billion in 1988 to \$15.4 in 1990, to \$16.7 million in 1991, a further 8.5 percent (see Table 10).

Public investment in construction was estimated at \$7 billion in 1990, of which 34 percent was for the construction of office buildings (11.6 percent), industrial and commercial buildings (8.7 percent), hospitals (6.9 percent), schools (5 percent) and housing (2 percent).

**Table 10: PRIVATE INVESTMENT
IN CONSTRUCTION**

	1990 Units	1991 Units	1990 (US\$,million)	1991
Residential buildings				
One-family housing	77,100	82,500	5,355.9	6,333.3
Luxury	2,100	2,500		
Middle	27,000	29,000		
Social	48,000	82,500		
Multiple-family housing	67,775	75,400	2,150.8	2,620.0
Luxury	1,575	1,600		
Middle	13,200	13,800		
Social	53,000	60,000		
Self-construction	330,000	360,000	1,312.9	1,786.7
Suburban	180,000	200,000		
Rural	150,000	160,000		
TOTAL			8,819.6	10,740.0
Remodelling & maintenance of residential construction				
Luxury	15,000	16,000		
Middle	110,000	115,000		
Social	160,000	470,000		
TOTAL	585,000	601,000	812.2	985.0
Commercial buildings				
Luxury Offices	28	30		
Middle Offices	70	60		
Malls	11	20		
Supermarkets	21			
Stores	420			
TOTAL	550	110	1,236.8	1,122.7

Source : Catálogo CIHAC de la Construcción 1991

A study prepared by CIHAC, based on census data, indicated that the annual production of housing units increased by 3.8 percent or 600,000 per year. Only 300,000 of these are acceptable, that is, of private ownership, and have three or more rooms, proper walls, floors and roofs, electricity, running water, bathroom and kitchen. Of these, 75 percent are so-called economic or social-interest housing that are built and/or financed by Infonavit, Fonhapo, Fovissste or other government agencies specifically created to encourage and finance economic housing for the working class. These houses usually have an average of 55 square meters, consisting of a living/dining room, bathroom, kitchen and two bedrooms. Middle-class housing, which represents approximately 15 percent of the total, has between