The average Japanese individual has little knowledge regarding hardwood products. The consumer perceives that more time and effort are necessary to maintain their quality. As a result, laminated wood products requiring little in terms of maintenance are generally preferred to hardwood products.

Housing materials and components are generally selected by catalogue and Japanese consumers expect to receive a reasonable facsimile of their selections. This is particularly true for the principal factors governing selection, colour and texture. With this in mind, contractors prefer the additional reliability of laminated wood products.

Uniform size of building materials is also a significant factor in job efficiency. Thus, contractors and carpenters prefer laminated wood flooring and millwork products because they consider these products to be more precise in terms of measurement, requiring a minimum of adjustment during installation.

Residential Construction Activity

The construction of residential homes and commercial buildings is a key factor when considering the growth potential of the Japanese market for millwork products.

From 1986 to 1987, residential housing construction rose sharply due to a strong yen and governmental measures aimed at stimulating domestic economic growth. Modest growth continued into 1988 when housing starts reached 1.7 million units. However, in 1989, construction declined by 50 000 units largely as a result of Japan's introduction of a consumption tax and shortages in construction workers and building materials.

Although it is expensive, the average Japanese traditionally prefers wooden houses made of Japanese cypress. The majority of such wooden houses in Japan are detached units. Wooden housing starts have been decreasing in terms of percentage shares since 1982, but still represent some 700 000 units (see Table 2).

This downward trend is primarily due to a stronger preference for fire-resistant prefabricated units. Also, the construction cost of wooden homes built by the traditional post-and-beam method have become too expensive for the average homeowner.

In 1989, wooden housing starts were expected to show a slight recovery in terms of both units and market share. The estimate is based on the likelihood of continued economic growth and anticipated increase in revenue per capita.

Despite the downward trend of wooden houses, this sector is still a primary market for solid-strip flooring, staircases and other wooden millwork products.

Two key sub-sectors for wooden houses are prefabricated and "2 x 4" homes. (Construction statistics for these sub-sectors since 1982 are presented in Table 2.)

The construction of prefabricated houses is well established and now accounts for 12 to 14 per cent of total housing starts. In 1988, nearly 220 000 units were built. Of these, about 27 per cent were of wood, 63 per cent of steel and 10 per cent of concrete.

Table 2

Construction

Year	New Housing Starts ('000 units)**			Non-Traditional Housing Construction ('000 units)		Home Renovation	
	Total	*Wooden Houses*	*(%)*	*Prefabs*	*2 x 4*	*'000 Units*	*'000 m²*
1982	1 146	667	58	138.5	16.2	190	9 094
1983	1 137	591	52	146.7	17.2	194	9 115
1984	1 187	594	50	162.8	20.2	180	8 522
1985	1 236	592	48	177.8	24.1	173	8 307
1986	1 365	634	46	203.4	31.7	171	8 132
1987	1 674	742	44	247.5	40.1	164	7 792
1988	1 685	697	41	218.7	42.0	150*	7 127*
1989*	1 632	710	44	202.2	38.8	140	6 652

* Estimated.
** Housing starts relates to the number of housing units not the number of residential buildings.

Source: Ministry of Construction.