



# European Construction Sector Observatory

## Policy Measure Fact Sheet France

Simplification of the Regulation  
(*Simplification de la Réglementation*)

Thematic Objective 4

March 2016

<b>Implementing body:</b>	Ministry of the Territory Equality and Housing
<b>Key features &amp; Objectives:</b>	Implementation of different measures to simplify the regulation of the construction sector (lower construction costs, facilitate project development and act on quality and clarity of the new regulations and standards).
<b>Implementation date:</b>	February 2014 – 2016 (month T.B.C.)
<b>Targeted beneficiaries:</b>	All the stakeholders from the construction sector, local authorities and the final users
<b>Targeted sub-sectors:</b>	Architectural and real estate services; Construction companies; providers of energy efficiency solutions; construction-products manufacturers
<b>Budget (EUR):</b>	-

### In a nutshell

Construction costs grew by four percent from 2010 to 2014 (see Figure 6 in the Country Fact Sheet for France), putting the construction gross operating surplus under pressure. There are also improvements possible in terms of “dealing with construction permits”. To complete administrative formalities 183 days<sup>1</sup> are necessary, when only 96 are needed in Germany.

Since the construction sector deals with more than 4,000 different standards<sup>2</sup>, the policy Simplification of the Regulation (*Simplification de la Réglementation*) is expected to positively impact the competitiveness of the construction sector. Its purpose is to reduce the construction costs without lowering the quality. As a result of the policy implementation, the French Construction Federation<sup>3</sup> (*Fédération Française du Bâtiment*) is expecting a ten percent decrease of the construction costs by 2020.

The government consulted the different stakeholders during the inception phase through the creation of the “**Objective**

**500,000**”<sup>4</sup> consultation task force. It appointed this task force to give the first axes for simplification of the construction regulation in February 2015. The government continues to involve the stakeholders in the implementation of the policy through the **Superior Council of the Construction and Energy Efficiency**<sup>5</sup> (*Conseil Supérieur de la Construction et de l'Efficacité Energétique*). The purpose of the new body is to **evaluate the impact of the different simplification measures**. It gathers a broad range of stakeholders including consumer and environment protection associations.

According to the French Construction Federation, **the policy methodology** focuses on<sup>6</sup>:

- Consulting a broad range of stakeholders with contradictory interests creating a productive dialogue;
- Evaluating the ability of the final user to absorb the regulation cost;
- Integrating the concept of opportunity for each modification of the regulation to evaluate its impact on the population.

Since the implementation started, **48 measures out of over 50 selected are already effective** in different areas such as safety, wellness, seismic and technological risks, power and communication networks, termite fighting, thermal performance, building access and elevators. The remaining measures are expected to be effective throughout 2016.

### General description

Five million people are facing accommodation difficulties (access to housing, rent payment, and living conditions) in France<sup>7</sup>. In this context, the government proposed several measures to give better

prospects to the construction sector, to significantly boost the construction activity, and to support access to housing.

The French construction sector is heavily regulated across all activities (planning, construction products, building, etc.). Indeed, the regulatory environment of the sector consisted of around **4,000 different standards** in 2014, related to several aspects such as:

- Heating regulation;
- Building access for disabled people;
- Power and gas;
- Innovative materials;
- Sound proofing.

Although the majority of such standards originated at the EU level, still about 12%<sup>8</sup> are defined at the national level and require simplification. Thus, in 2014, the government introduced the Simplification of the Regulation (*Simplification de la Réglementation*). The policy is part of the broader 'Simplification shock' (*Choc de simplification*), a national overarching policy approach, aiming to simplify existing regulations across a number of areas and for different beneficiaries (over 600 simplification measures make the object of the strategy, facilitating administrative formalities for businesses, citizens and public administrations)<sup>9</sup>.

The main objectives of the policy are to lower construction costs, facilitate the project development and act on quality and clarity of the new regulations and standards. To achieve these objectives, the strategy is to better articulate the different regulation through three main actions:

- Set up obligation of results instead of obligation of means;
- Merge the redundant procedures in the construction sector;
- Reduce the litigation risk on building permits.

Under the policy, **fifty-two measures** were selected in order to streamline the operational rules of construction. They concern various aspects of a building, including:

- Fire regulation;
- Well-being;
- Earthquake and technological risks;
- Power and communication networks;
- Termite fighting;
- Thermal performance;
- Building access;
- Lifts.

The policy also includes an exemption from one of the requirements of the 2012 Heating Regulation (*Réglementation Thermique*), namely that the total surface of windows should be a sixth of the total living space (please refer to the dedicated Policy Fact Sheet<sup>10</sup>).

The first step of the policy involved a task force named "Objective 500,000" (*Objectif 500,000*). The name of the workshop refers to the government objective to build or to renovate 500,000 dwellings per year until 2017. From November 2013 to February 2014, it gathered different dwelling and construction stakeholders with the aim to propose an action plan to the Ministry in charge of the simplification of the regulation in the construction sector, highlighting the axes for improvement.

Beyond the technical evaluation of the current regulation, the "Objective 500,000" task force set three objectives:

- Improve the governance and the consultation of the relevant stakeholders;
- Evaluate the direct and indirect economic impacts of the norms and regulation;
- Improve the consistency and clearness of the regulatory texts.

To reach the objectives, the consultation task force delivered proposals articulated around two topics:

- Short-term recommendations to change the creation process of the norms and regulations;
- Short-term and mid-term recommendations in the context of an action plan to streamline the existing norms and regulations that impact the construction sector, to build better and at a lower cost.

The major recommendation of "Objective 500,000" was the creation of a **Superior Council of Construction and Energy Efficiency** (*Conseil Supérieur de la construction et de l'efficacité énergétique*). It is a combination of elected representatives, including construction and environment protection professionals, consumer defence associations and skilled personalities. Through this new body, all the stakeholders impacted by construction regulations, including the representatives of consumers, are involved in the progress of the regulation simplification. This ongoing consultation process is an extension of the first stakeholder involvement through the "Objective 500,000" taskforce. The purpose of the Council is to evaluate the impact of each measure and ensure a global consistency between the different measures adopted.

The specificities of the simplification of the regulation is to integrate for the first time **the question of the final users** in the evaluation of the proposed measures. Their ability to absorb the costs is also one of the criteria studied by the Superior Council. The second new criteria integrated in the approach is **the concept of opportunity**, related to the measure of simplification. It is the evaluation of the share of the population that would benefit from the measure. It also implies to ensure that the simplification would not have a negative side effect on the majority of the population. Thus, the council wants to clearly define whether the change is an opportunity or a constraint for the final user.

## Expected or achieved results

As of February 2016, the French government stated that **48 out of the 52 measures** of simplification were already effective, with the remaining ones expected to come into force throughout 2016<sup>11</sup>.

15 measures focusing on building accessibility for the disabled population are currently implemented. However, 10 of these are only enforced for residential buildings and existing public buildings, and will become effective also for new public buildings as of June 2016. Table 1 presents the detailed implementation status.

**Table 1: Implementation of the simplification measures as of February 2016**

Measures of simplification	Effective	To be implemented
Fire safety	6	-
Wellness	2	-
Seismic and technological risks	4	-
Power and communication	2	-
Termite fighting	1	-
Heating efficiency	7	1
Oversea territories	1	-
Reduced mobility access	15 <sup>12</sup>	2
Elevator	3	-
Others	5	1
Governance	2	2
<b>Total</b>	<b>48</b>	<b>4</b>

Source: Ministry of the Territory Equality and Housing, 2016.

## Perspectives and lessons learnt

From the **perspective of the government**, the simplification measures were introduced with the aim of relieving the administrative burden on construction stakeholders and boosting the construction and availability of new dwellings, in light of the particularly low records of construction permits issued over the last few years. Given that 48 measures have already been implemented, with the adoption of the remaining ones being foreseen for mid-2016, the policy has experienced an overall encouraging and efficient start.

The policy was also received positively from the **perspective of public administration** stakeholders. Indeed, according to the prefect of the Ile-de-France, simplification of construction regulations can contribute to solving current issues such as long

delays in housing construction and high costs. For this reason, he advocates for the cooperation between all construction stakeholders, from local to institutional actors, in bringing forward the implementation of the simplification strategy<sup>13</sup>.

Although it is too early to evaluate the financial and economic impacts of the effective measures, the policy has generated some initial positive feedback from the **perspective of the construction sector**. Indeed, the French Construction Federation expects a ten percent reduction of the construction costs by 2020, leading to a more competitive construction sector.

Moreover, a series of **lessons learnt** can already be drawn. The first lesson learnt relates to the importance of a global evaluation of the measures proposed. Previously, during the previous attempts at simplifying construction regulations, experts evaluated the measures only from a technical point of view. Under the current simplification of the regulation, the Superior Council of the Construction and Energy Efficiency conducts a **global evaluation** of the proposed measures before their implementation. Thus, the objective is to give a global consistency and a good articulation of the different measures between each other. The French Construction Federation highlights the importance of the evaluation and the need to develop its culture in France, seeing it an improvement of the current policy over the preceding simplification attempts. The involvement of the stakeholders at the early stage in fact allows evaluating the impact of the policy on the economy, from its design until its implementation.

Furthermore, under the previous simplification attempts, regulations were added without removing the previous ones, thus creating additional complications. Therefore, one of the key performance indicators highlighted by the French Construction Federation is **to avoid the addition of new regulations** to the existing ones instead of simplifying them.

However, the French Construction Federation emphasises **two limitations of the policy**, related to the competence of the Superior Council of the Construction. So far, it is only competent to evaluate the national regulation, although, compulsory **norms** are created in 90%<sup>14</sup> of cases at the European/international level. Therefore, the French Construction Federation recommends extending the competence of the Superior Council of Construction to the evaluation of non-national norms. Another limit is the impact of **the local legislation** on the construction sector that can affect and slow down the delivery of work permits or increase the construction costs.

## Comparison with other analytical sources

This Fact Sheet concurs with the following sources:

- Country Fact Sheet France<sup>15</sup>, in the sections:
  - Section 3 (Key economic drivers of the construction sector), Productivity;
  - Section 4 (Key issues and barriers in the construction sector), Time and cost of obtaining work permits and licenses;
  - Section 6 (National & Regional Policy & Regulatory Framework), Building regulations.
- Policy Fact Sheet – Heating Regulation 2012 (*Réglementation Thermique 2012*), General description.
- Country-specific recommendations for France<sup>16</sup>:
  - CSR 4: “France has made some progress in addressing CSR 4...Recently, measures have been announced in the context of the simplification programme (choc de simplification)”.

<sup>11</sup> Ministère du Logement et de l’habitat durable, *Réglementation de la construction : la simplification est en marche*. February 2016. [http://www.logement.gouv.fr/publication/reglementation-de-la-construction-bsp-la-simplification-est-en-marche\\_4839](http://www.logement.gouv.fr/publication/reglementation-de-la-construction-bsp-la-simplification-est-en-marche_4839)

<sup>12</sup> 10 of these are currently in force for residential buildings and existing public buildings, and will become effective also for new public buildings as of June 2016.

<sup>13</sup> Direction générale et interdépartementale de l’hébergement et du logement, *Construction de logements, le gouvernement simplifie les normes nationales : et nous?*. January 2016. <http://www.drihl.ile-de-france.developpement-durable.gouv.fr/construction-de-logements-le-gouvernement-a3719.html>

<sup>14</sup> <http://www.afnor.org/liste-des-actualites/actualites/2014/decembre-2014/la-norme-est-elle-obligatoire>

<sup>15</sup> European Construction Sector Observatory, *Country Fact Sheet France*, February 2016. [http://ec.europa.eu/growth/sectors/construction/observatory/index\\_en.htm](http://ec.europa.eu/growth/sectors/construction/observatory/index_en.htm)

<sup>16</sup> Commission Staff Working Document, *Country Profile France 2016*. [http://ec.europa.eu/europe2020/pdf/csr2015/cr2015\\_france\\_en.pdf](http://ec.europa.eu/europe2020/pdf/csr2015/cr2015_france_en.pdf)

## Endnotes

<sup>1</sup> World Bank Group, *Doing Business – Economy profile for France*, dealing with Construction Permits. <http://www.doingbusiness.org/data/exploreeconomies/france#close>

<sup>2</sup> Crédit Foncier, *4000, c’est le nombre de normes dans la construction recensées en 2014*. Octobre 2015. <http://creditfoncier.com/4-000-cest-le-nombre-de-normes-dans-la-construction-recensees-en-2014/>

<sup>3</sup> Federation Francaise du Batiment, <http://www.ffbatiment.fr/>

<sup>4</sup> Ministère du Logement et de l’habitat durable, *Sylvia Pinel réunit le premier comité de suivi « Objectifs 500 000 »*. June 2014. <http://www.territoires.gouv.fr/sylvia-pinel-reunit-le-premier-comite-de-suivi-objectifs-500-000>

<sup>5</sup> <http://www.territoires.gouv.fr/conseil-superieur-de-la-construction-et-de-l-efficacite-energetique-cscee>

<sup>6</sup> Ministère du Logement et de l’habitat durable, *Réglementation de la construction : la simplification est en marche*. February 2016. [http://www.logement.gouv.fr/publication/reglementation-de-la-construction-bsp-la-simplification-est-en-marche\\_4839](http://www.logement.gouv.fr/publication/reglementation-de-la-construction-bsp-la-simplification-est-en-marche_4839)

<sup>7</sup> <http://www.insee.fr/fr/ffc/horscollection/logement-sur-occupe/logement-sur-occupe.pdf>

<sup>8</sup> Institut Montaigne, *Politique du logement: faire sauter les verrous*. July 2015. [http://www.institutmontaigne.org/res/files/publications/rapport\\_logement.pdf](http://www.institutmontaigne.org/res/files/publications/rapport_logement.pdf)

<sup>9</sup> French government, *Le choc de simplification*. February 2016. <http://www.gouvernement.fr/action/le-choc-de-simplification>

<sup>10</sup> The Policy Fact Sheet on the Heating Regulation (*Réglementation Thermique*) is available here: [http://ec.europa.eu/growth/sectors/construction/observatory/index\\_en.htm](http://ec.europa.eu/growth/sectors/construction/observatory/index_en.htm)