



Converting an office building into a hotel in France - legal constraints and process

Real Estate Update

16 SEP 2015

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Considering the lack of available construction land in French urban areas, and especially in the Paris region, the creation of new hotels now often results from the conversion of existing buildings, including office buildings.

In order to proceed with this sort of conversion, at an early stage project owners must identify the relevant legal constraints and the process to be followed in order to take these constraints into account.

Identifying the legal and administrative constraints

Constraints resulting from town planning regulations

The development of a hotel in a former office building must be authorized under the mandatory town planning rules. This authorization takes the form of a building permit issued by the local authorities.

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In order to benefit from such an authorization, the conversion project must comply with the local town planning regulations (*plan local d'urbanisme*) and the various public easements (including those relating to natural hazards, historical listed buildings etc). It is also necessary to check whether the site of the development is located within a specific planning zone (*zone d'aménagement concerté*), in which case the applicable regulations may limit the potential rights to build and the potential use of the building.

The first verification required is to make sure that the change of use from offices to hotel is permitted by the relevant regulations, but it is also necessary to check that the other potential constraints resulting from these regulations do not adversely impact the project. For instance, these regulations often provide for a minimum number of parking spaces to be included in development project and the minimum may differ from one use to another.

Apart from these public law issues, additional constraints may result from land division regulations (*cahier des charges de lotissement*), co-ownership regulations (*règlements de copropriété*) or private law easements granted to nearby properties. Even if these private law provisions may not directly affect the issuance of a building permit application, the project owner must comply with them, as a breach may result in private law sanctions that may go as far as the demolition of the project works.

Constraints resulting from construction regulations

Apart from town planning regulations, the development of a hotel in an existing building is subject to construction regulations.

Hotels are considered by French law to be "public access buildings" (*Etablissements Recevant du Public*) and are subject to specific administrative authorizations and regulations. These regulations are twofold: the first set provides covers fire safety, and the second access for the disabled. For both types of regulations, the project owner may be able to obtain derogations to some of the rules, subject to certain conditions.

If the hotel is developed in a high rise building (*Immeuble de Grande Hauteur*), specific safety regulations must also be complied with.

Other constraints and authorizations required

Depending on the specific characteristics of the project, other administrative authorizations may be necessary. Thus, an authorization to occupy public land needs to be obtained in order to create a terrace on that public land.

If alcoholic beverages are to be sold within the hotel, a specific administrative permit must be purchased and transferred to the site.

It should also be noted that there are several sets of criteria that must be met by the project in order to qualify for an official French star ranking. These stars are awarded by a specific institution (the *GIE ATOUT FRANCE*).

Conversion process

Applications for authorization

The content of the application files for the relevant administrative authorizations is generally defined by law. Extra care needs to be given to the constitution of these files, otherwise the application may be rejected or subsequently be reversed by the Court in the event of a challenge by a third party.

In order to limit the risks of litigation that are inherent in town planning authorizations such as a building permit, a review of the application files by specialized legal counsel before filing is strongly recommended. Such a review will allow the completeness of the application files and the compliance of the project with the relevant regulations to be checked.

Once obtained, the administrative authorizations, particularly the building permit, may be subject to challenge by third parties (such as adjoining owners) seeking to have them reversed within two months from the time they are publicized. The administrative authorities themselves have a limited period of time to withdraw administrative authorizations (3 months from the issuance of the authorization) or to challenge them (2 months from the

notification of the administrative authorization to the Prefect).

The actual implementation of a hotel project therefore cannot proceed until the time period during which a third party challenge, administrative challenge or withdrawal can take place has lapsed or, in the case of a third party challenge or an administrative challenge, until a final Court decision rejecting such the challenge has been obtained.

Carrying out the works

The works necessary to implement the project generally take place after the final administrative authorizations, free from any challenge or withdrawal right.

Additional specific authorizations may be necessary for the site itself, if the works are located on public land or if a temporary interruption of road traffic is necessary.

If the project is subject to modifications during the course of the works, it may be necessary to adapt the administrative authorizations, usually by the obtaining a modifying building permit.

Completion of the works and opening to the public

Completion of the works gives rise to a formal statement of completion and compliance. The local authorities have five months as from the receipt of this statement to check the whether the construction works comply with the building permit.

Finally, the project owner needs to deal with the formalities for the opening of the hotel by applying to the local authorities for an authorization to open the premises to the public. This authorization will only be issued after a visit to the site by the administrative commission for safety and accessibility, who will check that the project complies with the regulations relating to public access buildings and, if applicable to high rise buildings.

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