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## HOW TO OBTAIN A CONSTRUCTION PERMIT IN GEORGIA

A construction permit (the "Permit") is a special permit which authorizes its holder to carry out a new construction, reconstruction or demolition in accordance with the terms contained therein. Any natural person, legal entity or partnership that plans to carry out any of the above activities (except for activities concerning Class I buildings and structures described below) must obtain a Permit. Failure to obtain a Permit may result in fines and penalties or demolition of unauthorized construction.

Georgian legislation sets different requirements for issuing a Permit depending on the type and size of the planned construction.

### I. WHICH TYPES OF PROJECTS REQUIRE THE PERMIT?

For the purposes of issuing the Permit buildings and structures are divided into 5 classes.

Class I buildings and structures do not require the Permit except when the local self-government body (or in case of 12 cities which have a Mayor - Tbilisi, Rustavi, Kutaisi, Poti, Batumi, Telavi, Ozurgeti, Zugdidi, Gori, Ambrolauri, Mtskheta and Alkhaltshikhe - Mayor's Office) adopts a decision on the necessity of issuing the Permit. Buildings and structures of Classes II, III, IV and V require a Permit.

#### **Class I includes (but is not limited to):**

- Buildings with a total area (area on all floors) of less than 60 m<sup>2</sup>, lower than 5 m and with a subsurface depth of less than 2 m on average ;
- Buildings with volume of less than 20 m<sup>3</sup>, with height of less than 10 m and with a subsurface depth of less than 10 m on average;
- Buildings and structures with the length of a span or other construction element of less than or equal to 5 m;
- Fences with a height of less than 4 m from the surface of the soil;
- Hydro power plants with a capacity of less than 50 kW;
- Communication lines, laid using existing infrastructure;

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- Temporary outdoor trade structures, with a height of less than 2,5 m and an area of less than 6 m<sup>2</sup>;
- Open play grounds, open parking lots and billboards;
- Emergency repair works, addition or removal of small architectural elements to the exterior of a building, etc.

While the Permit is not required for Class I buildings and structures, the construction work must comply with requirements of the law, including construction and safety regulations, and the authority issuing the Permit should be notified about the planned construction.

**Class II includes (but is not limited to):**

- Buildings defined with the K2 construction intensity coefficient (see section VI for description of the construction intensity coefficient) or in a zone where K2 is not defined - the building with total area of less than 300 m<sup>2</sup> (for individual residential buildings - 500 m<sup>2</sup>);
- Buildings and structures with a height of 5 - 12 m and a subsoil depth of 2-4 m on average;
- Structures with a volume up to 60 m<sup>3</sup>, with a height of 10 - 15 m and with a subsoil depth of 10 -15 m on average;
- Buildings and structures with the length of a span or other construction element of less than or equal to 7 m; fences with a height of less than 4 m from the surface of the soil;
- Water reservoirs with a volume of up to 1,000 m<sup>3</sup>, tanks for storage of liquid substances with a total volume of up to 100m<sup>3</sup>;
- Reconstruction of the exterior of any building.

**Class III includes (but is not limited to):**

- Buildings defined with a K2 construction intensity coefficient or in a zone where K2 is not defined - the building with a total area of 300-6,000 m<sup>2</sup> (for individual residential buildings - 500 - 6,000 m<sup>2</sup>), with a height of 12-22 m and with a subsoil depth of 15 - 20 m on average;
- Buildings with installed vertical, angled and/or horizontal mechanical transportation;
- Buildings and structures with the length of a span or other construction element of more

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- than 7 m and less than or equal to 12 m;
- Water reservoirs with a volume of 1,000 - 10,000 m<sup>3</sup>;
- Electrical substations with a capacity of 35 kV and 110 kV;
- Hydro power plants with a capacity of 1,000 - 10,000 kW;
- Geothermal power stations;
- Oil and liquefied gas storage terminals and tanks with a volume of 100 - 500 m<sup>3</sup>, etc.

**Class IV includes (but is not limited to):**

- Buildings defined with a K2 construction intensity coefficient or in a zone where K2 is not defined - buildings with a total area of more than 6,000 m<sup>2</sup> and higher than 22 m;
- Structures with volume of 200 - 1,000 m<sup>3</sup>, with height of 30 - 50 m and with a subsoil depth of 20 - 30 m on average;
- Buildings and structures with the length of a span or other construction element of more than 12 m and less than or equal to 24 m;
- Water reservoirs with a volume of 10,000 - 100,000 m<sup>3</sup>;
- Electrical substations with a capacity of 220 kV;
- Hydro power plants with a capacity of 10 - 50 MW;
- Oil and liquefied gas storage terminals and tanks with a volume of 500 - 1,000 m<sup>3</sup>, etc.

**Class V -buildings and structures of special importance includes (but is not limited to):**

- Structures with a volume of more than 1,000 m<sup>3</sup>, with a height of more than 50 m and with a subsoil depth of more than 30 m on average;
- Building and structures with the length of a span or other construction element of more than 24 m;
- Industrial facilities for hazardous industrial processes;
- Tunnels and underground rail;
- Hydro power plants with a capacity exceeding 50 MW;
- Main (magistral) pipelines including gas pipelines;
- Mines;
- Funicular Railways;
- Aerial Cableways;
- Buildings in Gudauri recreational territory (as defined under the relevant legal act), etc.

## II. HOW TO OBTAIN THE PERMIT?

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Under Georgian law the Permit seeker (the "Permit Seeker") has to go through three stages in order to obtain the Permit:

**Stage I** - Determination of construction terms is completed within 12 days from the date of submission of the application on approval of terms for usage of a land plot for construction, appended with the required documents. For class IV buildings, Bakhmaro, Bakuriani and Ureki recreational territories, as well as all constructions (except class V) requiring ecological expertise - Stage I is completed within 15 days. In case of Class V buildings Stage I is completed within 30 days;

**Stage II** - Agreement on the architectural-construction project is completed within 18 days. For class IV and V buildings, Bakhmaro, Bakuriani and Ureki recreational territories, as well as all constructions requiring ecological expertise and for Class V buildings - Stage II is completed within 20 days;

**Stage III** - Issuance of the Permit is completed within 5 days. For Class V buildings the Permit is issued within 10 days.

Exceptions from this rule:

1. It is not necessary to go through Stage I when the territory, where construction is planned is included in Development Regulation Plan ("DRP"), unless the DRP does not include all the required terms. DRP is a document that defines the particular zoning requirements and restrictions of the territory, parameters of the construction, a map of main and local networks of water, power and natural gas supply and a map of main and local road and street networks of the concerned land plot. The construction terms are determined by the DRP;
2. The Permit Seeker may choose a simplified 2-Stage process which allows them to combine Stages II and III and submit the documents required for both Stages at the same time. In case of the simplified process - Stage I is completed within 12 days. For class IV and V buildings, Bakhmaro, Bakuriani and Ureki recreational territories, as well as all constructions requiring ecological expertise - Stage I is completed within 15 days. The

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simplified Stage II is completed - within 20 days.

### III. WHO ISSUES THE PERMIT?

The Permit for all buildings and structures that fall into Classes II, III and IV are issued by local self-government bodies. Within the territory of the city of Tbilisi the Permit is issued by the Tbilisi Architecture Service - Legal Entity of Public Law under the Tbilisi Mayor's Office. The Permit for a building or structure that falls into Class V (including radioactive and nuclear plants) is issued by the Technical and Constructions Supervision Agency, a Legal Entity of Public Law under the Ministry of Economy and Sustainable Development of Georgia.

### IV. WHAT DOCUMENTS ARE REQUIRED TO OBTAIN THE PERMIT?

The detailed list of documents required for obtaining the Permit is provided in Resolution No. 57 of the Government of Georgia on Rules of Issuing of Construction Permit and the Permitting Requirements, dated 24 March 2009.

Documentary requirements for buildings and structures of all Classes include (but are not limited to) the following:

**Stage I** Information about the land plot on which the construction is planned, information about the owner of the land plot, information about the function of the planned construction, technical specifications of the building-structure, its approximate dimensions, topographic plan and site (situational) plan of the land plot, reflecting the current condition, statement on determination of construction terms, photo confirming that the information board (banner) has been put up in a conspicuous place;

**Stage II** Architectural project, structural layout and process flow-sheet;

**Stage III** Approved architectural-construction project, structural layout and process flow-sheet, project documentation related to the foundation, structure, internal and external networks and fixtures of the building-structure.

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**Additional Requirements:** For Class IV and V buildings and structures (subject to certain exceptions) the Permit Seeker must also submit expert evaluations including and on: An engineering-geological survey, abutments, foundations and other main constructions, technological parts.

The Permit Seeker will need to submit additional documents related to the environmental impact assessment if the planned construction requires an environmental impact permit.

## V. ARE THERE ANY ZONING REQUIREMENTS?

The territory of Georgia is divided into different functional zones depending on the nature of the territory. As a general rule, the type of construction should correspond to the function of the zone. Different parameters and restrictions on the use of land and construction, including construction intensity coefficients (described below), apply to particular zones.

Some of such zones are: residential, landscape-recreation, recreation, resort-recreation, special, transport, public, industrial, sanitary, military, environmental protection, cultural heritage and environmental protection.

## VI. WHAT IS A CONSTRUCTION INTENSITY COEFFICIENT?

It is necessary to determine K1 and K2 construction intensity coefficients before applying for the Permit.

K1 determines the permissible space that may be occupied by the buildings on a particular piece of land. Such permissible space is calculated by multiplying the size of the land plot by the K1 index. For example, in a residential zone the K1 index may be 0.6, which means that on a land plot of 1,000 m<sup>2</sup> a building may occupy not more than 600 m<sup>2</sup> of the ground area.

K2 determines the maximum permissible total floor space of the buildings on the land plot and therefore influences the height and number of floors of the building. Such permissible floor space is calculated by multiplying the size of the land plot by the K2 index. For example, in a residential zone the K2 index may be 2.2, which means that on a land plot of 1,000 m<sup>2</sup> the total floor space of

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a building may not exceed 2,200 m<sup>2</sup>.

It is also necessary to ascertain K3 coefficient - a green plot ratio, which determines the minimum part of the site which may not be covered with water resistant (construction or other) materials. K3 is a ratio of the total planted area of the land plot to the total area of the land plot on which construction is carried out. For example, in a residential zone the K3 index may be 0.1, which means that on a land plot of 1,000 m<sup>2</sup>, at least 100 m<sup>2</sup> must be a green area.

If a Permit Seeker needs to change the coefficients applicable to the territory, they should request a special (zonal) consent in their application submitted at Stage I of the process for obtaining the Permit.

## VII. WHAT ARE THE FEES FOR OBTAINING THE PERMIT?

The fees for obtaining the Permit are established by local self-governing bodies. They may not exceed GEL 1 per each m<sup>2</sup> of the development area envisaged by a project of a new building to be constructed and GEL 5 per each m<sup>2</sup> - for construction of an industrial building in a resort zone.

The following fees apply to the Permits issued for construction of Class V buildings and structures:

A Building-structure the value of which exceeds GEL 500,000	GEL 1000 + 0.5 of the value
A Building-structure the value of which ranges from GEL 500,000 to GEL 1,000,000	GEL 8000
A Building-structure the value of which ranges from GEL 1,000,000 to GEL 3,000,000	GEL 14,000
A Building-structure the value of which ranges from GEL 3,000,000 to GEL 5,000,000	GEL 19,000
A Building-structure the value of which ranges from GEL 5,000,000 to GEL 10,000,000	GEL 24,000
A Building-structure the value of which exceeds GEL 10,000,000	GEL 24,000 +0,01% of the value

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## VIII. IS THERE AN ONGOING CONTROL OF COMPLIANCE WITH THE TERMS OF THE PERMIT?

The authority issuing the Permit controls the compliance by the Permit holder with the terms and conditions of the Permit. A breach of the Permit terms is an administrative violation punishable by the following fines:

1. In a Special Construction Regulation Zone (where a special regime for carrying out a construction applies), on territories determined by the laws of Georgia on Water and Forests, in a Cultural Heritage Protection Zone, a Resort-Recreation Zone and on the territory of the city of Tbilisi, breach of the Permit terms is punishable:
  - a) for a Class II building-structure - a fine in the amount of GEL 2,000;
  - b) for a Class III building-structure - a fine in the amount of GEL 3,000;
  - c) for a Class IV building-structure - a fine in the amount of GEL 4,000;
  - d) for a Class V building-structure - a fine in the amount of GEL 5,000.
2. In cases of self-governing city, on the territories other than those described in section 1 above, a breach of the Permit terms is punishable by a fine in the amount of GEL 1,000;
3. In a municipal settlement - town or village, on territories other than those described in section 1 above, a breach of the Permit terms is punishable by a fine in the amount of GEL 200.

The authority issuing the Permit will designate a reasonable period of time for the Permit holder to eliminate the breach of the Permit terms, however:

- If the Permit holder fails to eliminate the breach within the given period, the imposed penalty will be tripled. The Permit holder will be given additional time to rectify the breach of the Permit terms;
- If the Permit holder fails to rectify the breach again, the imposed tripled penalty will once again be tripled;
- Finally, if the breach of the Permit terms continues, the Permit will be revoked.

## APPLICABLE LEGISLATION

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- Law of Georgia on Licenses and permits;
- Resolution of the Government of Georgia No. 57 on Rules of Issuing of Construction Permit and the Permitting Requirements, dated 24 March 2009;
- Order of the Ministry of Economy No. 1- 1/1254 approving Main Principles of the Usage of Settlement Territories and Regulation of Development, dated 8 July 2008;
- Resolution of the Government of Georgia No. 59 approving Technical Regulation on the Usage of Settlement Territories and Regulation of Development, dated 15 January 2014;
- Code of Georgia on Product Safety and Free Circulation;
- Law of Georgia on Architectural Activity;
- Law of Georgia on Local Fees;
- Law of Georgia on License and Permit Fees;
- Organic Law of Georgia - Local Self-Government Code.

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