

Building Confirmation
and
Inspection Services
Current Situation in Japan

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Opening Up of Building Confirmation and Inspection Services to the Private Sector

Background

Up until 1998, the public sector did not provide building confirmation, inspection and other required services efficiently or in a way that gave client satisfaction.

It was necessary to create a competent and efficient system for the execution of building confirmation and inspection services based on improved role sharing between the public and private sectors.

Prior status of public-sector building confirmation and inspection services

In the fiscal year ended March 1996, for each public-sector building official who carried out building confirmations in Japan, there were 770 construction starts.

- Number of construction starts 1,400,000 per year
- Number of building officials approx. 1,800
- The number of construction-related administrative service employees is small compared to overseas nations.
(5.8 in Japan, 25.7 in US and 23.0 in Australia per 100,000 of population)

Major points of the 1998 amendment to the Building Standard Law

For the first time, the Japanese Government allowed independent and impartial private-sector bodies to engage in the provision of building confirmation and inspection services, which had previously been exclusively conducted by public-sector building officials.

Creating of provisions for introduction of building confirmation and inspection services by private-sector bodies

The building confirmation and inspection services provided by designated confirmation and inspection bodies have the same legal force as the confirmation and inspection services carried out by public-sector building officials.

Details of designated confirmation and inspection bodies

Eligibility:

Both profit and non-profit corporations are eligible to become designated confirmation and inspection bodies.

Designations:

There are three types of designation.

1. The Minister for Land, Infrastructure, Transport and Tourism designates corporations that are allowed to provide building confirmation and inspection services across Japan.
2. Regional bureaus designate corporations that are allowed to provide building confirmation and inspection services in a specific region within Japan.
3. Prefectural governors designate corporations that are allowed to provide building confirmation and inspection services in the respective prefecture.

Criteria for designation

- The employment of a certain number of private-sector building inspectors who are qualified in the assessment of conformity with building standards.
- None of the body's executives are able to influence the fair running of building confirmation and inspection services.
- The body has no other services that could lead to building confirmation and inspection services being ran in an unfair manner.

Relationship between designated administrative agencies and designated confirmation and inspection bodies

- A designated confirmation and inspection body may make inquiries as necessary to designated administrative agencies, and a designated administrative agency may give instructions as necessary to designated confirmation and inspection bodies and may revoke confirmation-related decisions made by such bodies.
- Designated confirmation and inspection bodies may independently make decisions regarding examination procedures.

Effect on the public sector

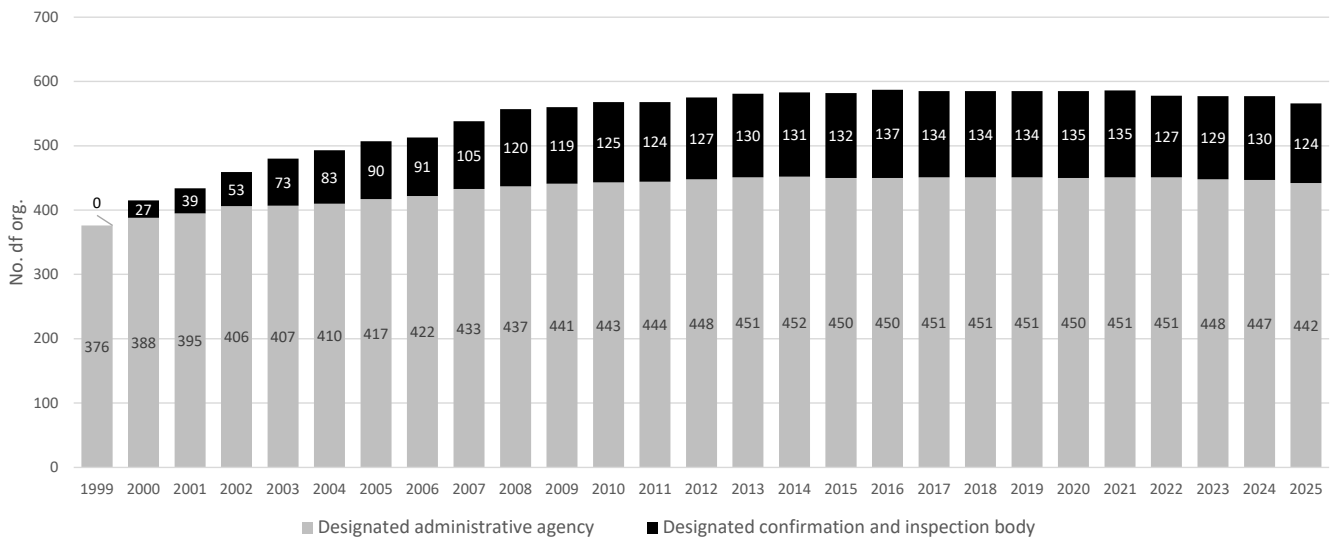
The amendment to the Building Standard Law made it possible to provide building confirmation and inspection services that meet the needs of building owners. The effective participation by designated confirmation and inspection bodies has allowed public-sector offices to focus on indirect control activities that will serve to maintain an efficient system. These activities include auditing, policing violations and imposing penalties on violators.

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Market for Building Confirmation and Inspection Services

Changes in the number of designated administrative agencies and designated confirmation and inspection bodies

As of April 1 each year



Breakdown of designated administrative agencies as of April 1, 2025

Under Article 4, paragraph 1, of the Law: 89 cities in 47 prefectures

Under Article 4, paragraph 2, of the Law: 148 cities

Under Article 97-2 of the Law: 158 cities including Tokyo 23 wards

Changes in the breakdown of designated confirmation and inspection bodies by jurisdiction

As of April 1 each year

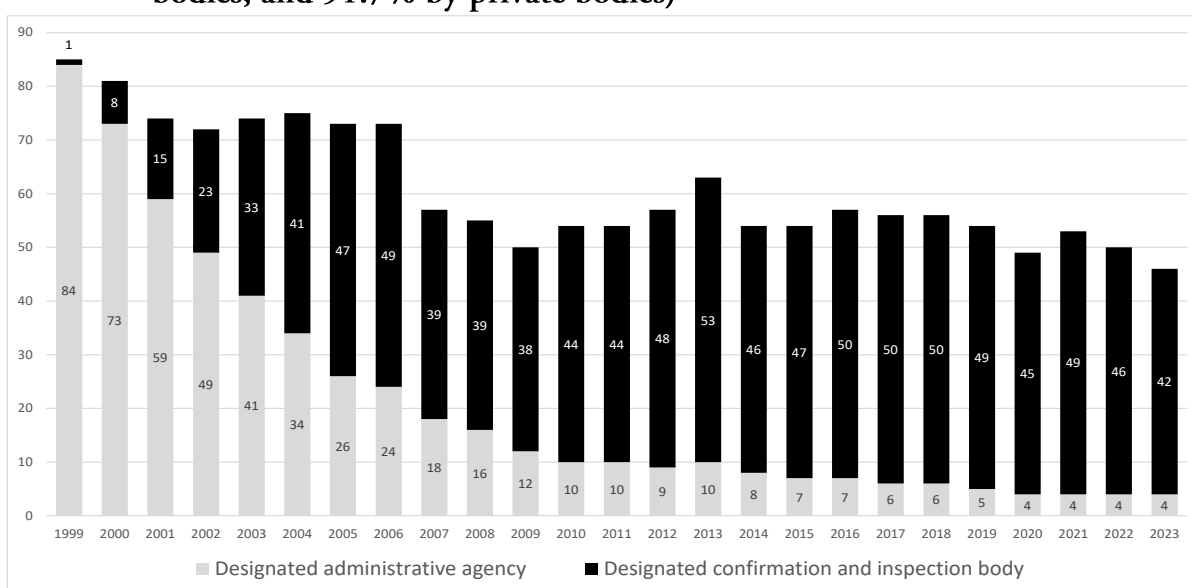
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
指定機関別	39	53	73	83	90	91	105	120	119	125	124	127	130
大臣指定	10	16	19	26	33	14	18	19	18	22	22	22	22
地方整備局指定						19	22	30	30	30	30	32	33
知事指定	29	37	54	57	57	58	65	71	71	73	72	73	75

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
指定機関別	131	132	137	134	134	134	135	135	127	129	130	124
大臣指定	23	24	23	24	26	26	26	26	26	26	26	26
地方整備局指定	35	37	40	39	37	37	39	40	39	40	40	38
知事指定	73	71	74	71	71	71	70	69	62	63	64	60

Breakdown of designated confirmation and inspection agencies by corporate type as of April 1, 2025.

39 incorporated foundations, 3 incorporated associations, 83 corporations, 3 limited liability companies, 1 Good Kaish (Japanese LLC), and 1 non-profit corporation

Number of buildings receiving building confirmations
Approx. 450,000 annually per year (8.3% by public bodies, and 91.7% by private bodies)



* This fiscal year begins on April 1 of each year and ends on March 31 of the following year.

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Process for Building Confirmation and Inspection Services

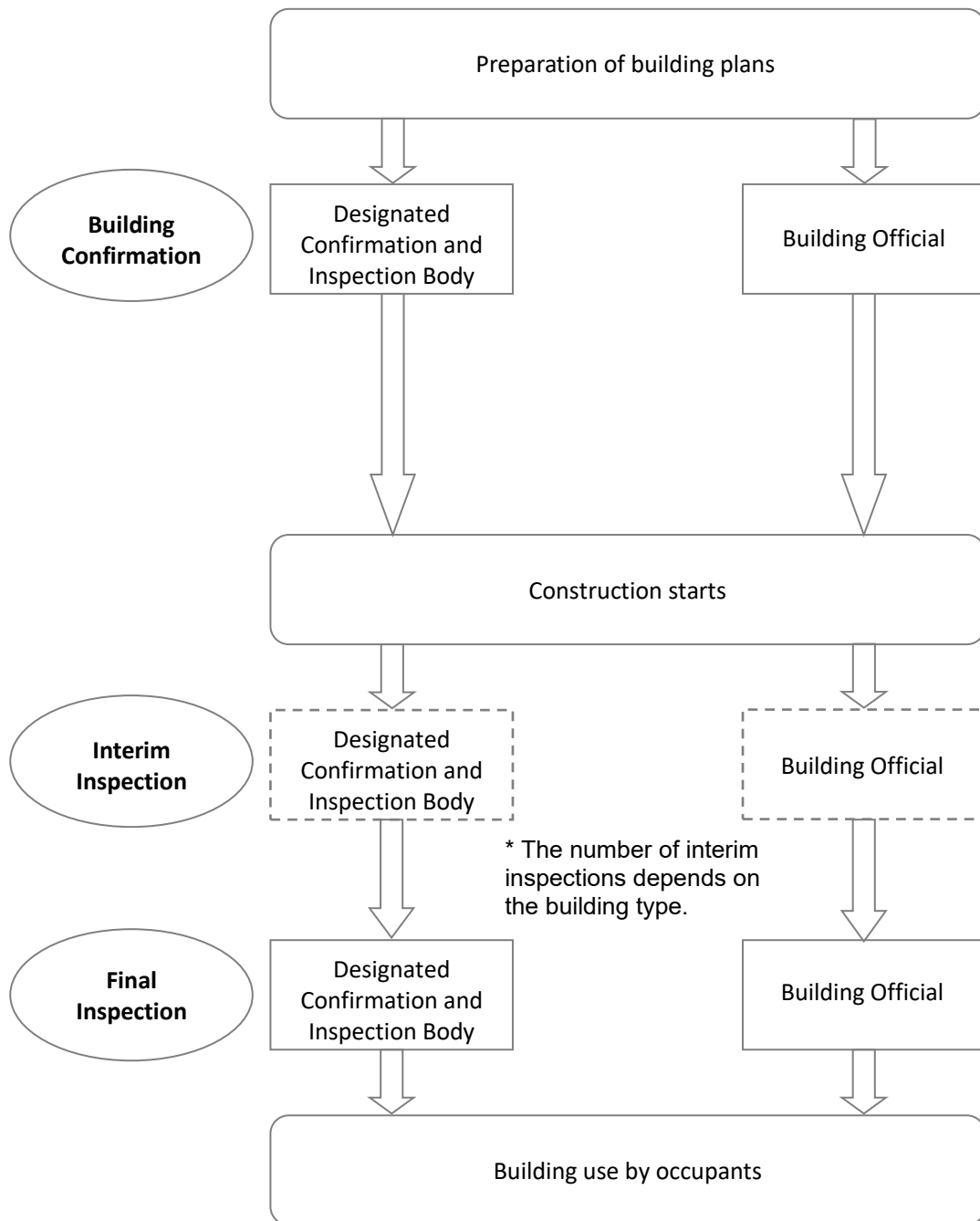
Partial amendment in 2007 to laws including the Building Standard Law to ensure building safety

In 2005, after incidents involving the forging of structural calculations, the Building Standard Law was partially revised to ensure building safety. Key points in this amendment include the adding of a new process for the verification of structural calculations at the direction of prefectural governors and designated structural calculation review bodies in order to strengthen the supervision of designated confirmation and inspection bodies.

2017 Amendment to the Building Standards Act Aimed at Improving Energy Efficiency of Buildings

To strengthen measures against global warming and ensure a stable energy supply, compliance with energy efficiency standards in building confirmation has been mandatory since April 1, 2017, for buildings of certain sizes and uses. Furthermore, beginning April 1, 2025, compliance with energy efficiency standards in building confirmation will, in principle, be mandatory for all buildings.

Flow of the building confirmation and inspection



* After completion of confirmation and inspection, the designated confirmation and inspection body informs the relevant designated administrative agency of the results.