



MEFMA members meet at The Club, Dubai World Trade Centre Tower.

## RERA notably absent at service charge meeting

Concerns over how effective Owner Associations will be in enforcing JOP Law rules and regulations

Guests were disappointed to see no-one from RERA (Real Estate Regulatory Agency) attended a MEFMA meeting to discuss its service charge focus group findings.

Up to 100 people attended the breakfast seminar at The Club, Dubai World Trade Centre Tower, recently, fronted by speaker Peter Crogan, CEO, BCS Strata Management Services. Other panelists were Ryan Darnell, senior services manager, Khidmah, Jennifer Blackwell-Spencer, strata consultant and Christiane Murray, of Landmark.

Guests were told the group received 48 out of 100 surveys and is waiting on two master developers before finalising its report. The surveys that came back were two from villa communities, 34 retail residential buildings, four commercial

and eight mixed use buildings.

The aim of the focus group was to identify and validate all service charge related components to make it easier for members of an Owners Association (OA) to understand and to highlight any challenges and limitations.

Dilip Khaltwani, chief executive and co-founder, Reliance FM, said the group has been working on the survey results since September last year but it's a work in progress.

MEFMA wants the survey results to go towards an industry standard benchmark but it does not have enough information to do this yet.

Comments in the Q&A session after the presentation included Ricardo Pascoal, director of FM, Census International who wanted to know how MEFMA was going to

distinguish between the fees for FM providers versus OA management costs?

Khaltwani said FMs will have to supervise OAs but it will need 12 months of operation before anyone can see results. There were also concerns about how the OA will make people pay for services and how areas will be defined.

Prior to the Jointly Owned Property (JOP) Law, sales and purchase agreements listed service charges payable on a per foot square basis but this will now include non carpeted areas such as non AC areas, car park spaces and balconies. Crogan said it needed to focus now on master community charges and utility charges.

"We think end users will need more clarity on the charges and want to come up with a standard budgeting

format for an OA," he said.

MEFMA used MyStrata as an international recommendation chart, which has over 1,000 sub codes to pinpoint the most detailed expenditure for end users.

"The service charge should be flexible enough to allow the owner and OA to apportion the charges correctly for each community," said Christopher Mills, technical director, Olive VFM. "Some allocations take into account the height of an apartment but the person living on the ground floor doesn't use the lifts.

"MEFMA should follow international standards like OSCAR, (Office Service Charge Analysis Report) and the International Total Occupancy Cost Code (ITOCC) from IPD and adapt that to what RERA wants," he added.