## CONTENTS

1. **Introduction** 3  
2. **Objectives** 3  
3. **Methodology** 3  
4. **Outcomes** 4  
   - Administrative 4  
   - Financial 4  
   - Technical 4  
   - Physical 4  
   - Social 4  
   - Defining OAM and FM as a working partnership 4  
   - Defining the OA and OAM as a working relationship 5  
   - Understanding and accepting inter-dependency 5  
5. **Recommendations** 5  
   - Tools and skills needed to implement OAM strategy 5  
   - Mission 5  
   - Vision 5  
   - Values 5  
   - Goals 5  
   - People and learning strategies 5  
   - Typical OAM strategies 6  
   - Individual skills 6  
   - Handover documentation 6  
   - Investigating OAM role and process in procurement on behalf of OA 6  
6. **Challenges** 7  
   - JOP challenges 7  
   - Practicalities of OAM skill set 7  
   - Time 7  
   - Law / insurance 7  
   - Health and Safety 7  
   - Financials 7  
7. **The way forward** 8  
8. **RERA Owner Association Management Services** 9  
   **License Conditions and Documentation** 10  
9. **Member Bios** 10
Title:
Middle East Facility Management Association: Initial Owner Association Manager / Facility Management Related Strategy Findings Report

Introduction

Initiated by the Real Estate Regulatory Authority (RERA) as a non-profit association, MEFMA lobbies to provide a standardised working framework for facility management (FM) professionals, wider construction industry stakeholders and building owners / occupiers across the Middle East.

MEFMA works with industry professionals to implement long term sustainable development strategies. From design, build and commissioning through handover, operation, maintenance and lifecycle, the aim is to deliver a sustainable built environment, best-in-class customer service and asset protection to maximise end-user ROI.

MEFMA focus groups are driving the formation of region specific industry standards through research studies. Initial focus group findings on service charge calculation, energy management strategies and technologies, handover checklists, inspections and reports are now being delivered.

Objectives

In order to compile an initial findings report to develop the required recommendations to standardise owner association manager (OAM) licensing and association manager (AM) qualifications to deliver on contractual obligations set out by owner associations (OAs), the focus group’s main objectives were to:

- Discuss the OAM role and processes involved in FM service procurement on behalf of the OA - considering varying building occupancy levels and age
- Identify required due diligence needed by OAMs before taking over the responsibility from OAs
- Develop required recommendation to standardise OAM license pre-request and qualifications to deliver expected outcomes
- OAM expected limitations and challenges
- Tools and skills needed to implement OAM strategy (Refer to Outcomes)

Methodology

The body of practices, procedures and rules used by the Owner Association Manager / Facility Management Related Strategy Focus Group to determine outcomes / results; recommendations / boundaries / constraints; and the way forward in terms of identifying the OAM role and processes, identifying due diligence and the tools and skills needed by OAMs to implement OA strategies are outlined below.

To define and determine the preparedness of OAs in taking responsibility for their buildings, the group surveyed a number of OA members. The number of respondents was disappointing, but those who did respond validated the importance of defining and understanding the working relationship between OAs, OAMs and FMs.

Five broad co-dependent areas were identified, around which a checklist for OAMs and OAs should be developed. Circumstances will dictate the situation (i.e. where in the lifecycle an OA is), but checklists should be broad ranging enough to encompass as many scenarios as possible. (Refer to Outcomes)
Outcomes

To develop a checklist for OAM companies and OAs, the group identified five broad co-dependent areas (refer to Methodologies) as follows: (Refer to Objectives, Methodology and Challenges.)

Administrative

Understanding of correspondences related to OA issues, either external or internal. In particular:
- Any formal meetings
- Any formal resolutions (meeting minutes)
- Official communications
- All RERA and Land Department documentation pertaining to the development
- Contractual obligations (if any)

Financial

- Compliance (i.e. escrow account and status for general and capital reserve fund)
- Last audit by developer (these will become technical audits)
- Service levy status/arrears
- Full budget(s) and breakdown thereof

Technical

Overview of all technical equipment pertaining to the OA (including plant operational status, manuals, position in lifecycle etc) and all contractual arrangements related thereto. In particular, physical identification of available information (i.e. EDB log book in-situ, asset registers, planned preventative maintenance schedules and logs, fire panel status, cleanliness of plant rooms etc) and other indicators of good/poor maintenance. Determine need for predictive chiller tests.

Social

- Evidence of disharmony and or disinterest
- Measurable evidence of existing sense of community

Also under review: (Refer to Recommendations.)
- The tools and skills need by OAMs to implement common area management strategies
- OAM expected limitations and challenges
- Identifying required due diligence need by OAMs before taking over responsibility from OA
- OAM role and process in service procurement on behalf of OA

Defining OAM and FM as a working partnership (Refer to The Way Forward.)

There is general concern from the FM sector that AMs will negatively impact their FM service provision due to the perception that an AM is a person, rather than an entity. However, as per Real Estate Regulatory Authority (RERA) definition, the OAM is a licensed entity, not an individual.

- To clarify: As per JOP Law, services provision is by facilities service providers licensed in the Emirate of Dubai (i.e. AM, security, landscaping, cleaning)
A legally structured and defined contractual agreement between OAs and facilities service providers will benefit all stakeholders, and is an indication of a sector seeking to implement mature market working practices.

Facilities service providers and other building service contractors are not engaged by the OAM company, rather by the OA. However, the process is facilitated by the OAM which is responsible for procurement to the point where alternative tenders are presented to the OA and put to the vote. The checks and balances inherent in this process mean that, by default, the OAM will present only qualified tenders.

Defining the OA and OAM as a Working Relationship

Owner associations are responsible for carrying out due diligence before they appoint an OAM. Although OAMs will be expected to have a level of expertise and adhere to contractual obligations with the provision for legal redress, with significant amounts of money and assets at stake, a verified contract award by OAs is critical.

Understanding and Accepting Inter-dependency

It is understood by the focus group that the OA, OAM, FM service provider relationship is a new structure in the Middle East, although standard practice internationally. A clear understanding and acceptance of both individual roles and inter-dependency by all stakeholders is critical if MEFMA’s stated objective of providing ‘outstanding service provision’ is to be realised.

Recommendations

Tools and Skills needed to Implement OAM Strategy

Direction for association constitution 2010 states ‘the association manager shall be responsible for working with the board to develop strategies to manage communal areas, including the creation of a sense of community within the building or community’. The group recommends the following strategic framework to achieve the aforementioned stated aims.

(Refer to Challenges.)

Mission:

- Represent the best interests of all stakeholders
- To control, maintain, manage and administer common property

Vision:

- Promote the OA where common property is managed in compliance with the law, in a way that preserves property value and creates harmony among owners and occupiers with adequate provisions for short and long term funding

Values:

- Consultative and responsive to the needs of owners. Transparent in the administrative process. Educate as to the rights and responsibilities of OAs and owners

Goals:

- JOP Law 27 compliance, within budget and without unresolved disputes from annual general assemblies

People and Learning Strategies

- Board members and owners to receive monthly educational and training notes regarding effective OA management
- In addition to minutes pertaining to service charge notices, community rules, the provision of a transparent guide for owners and occupiers of rule enforcement processes and service charge responsibilities and penalties, will be made available for continual stakeholder education
- Internal procedures: undertake an internal compliance audit and action matters requiring attention
Typical OAM Strategies

- Operate with a service charge surplus to budget of the general fund service charge for the financial year
- Budget the reserve fund annual service charge in-line with a detailed third party study of all common property, an estimate of the life of each asset and the cost and frequency of replacement
- Initiate a planned maintenance programme to maximise building and equipment life to reduce emergency works and breakdowns
- Propose an energy saving plan for common areas and assist with individual units
- Add value to the building by way of alterations or improvements of common areas through the raising of special service charge levies
- Investigate additional revenue streams by way of leasing common areas
- Organise community events to engender friendly, harmonious living

Having identified typical OAM strategies, the group believes the following tools and skills are a necessary individual requirement, recommending the following:

Individual Skills

- Good communicator
- Well organised, reliable, relationship builder
- Process orientated
- Vision and goal focused
- Confident to manage, lead and instruct

Business Skills

- Three years’ experience in OA management
- RERA certified
- Good Conduct certificate issued by Dubai Police
- Fiduciary duty (obligation to act in the best interests of another party)
- Understanding business cycle
- Strong skills in administrative, technical, legal, financial and health and safety practices

Handover Documentation

Developer documentation to be handed over on establishment of OA to OAM should include, but not be limited to:

- Roll with full up-to-date owner records and contact details
- Owner financial payment history
- Supplier and service contracts
- Defect liability period (DLP) and warranties
- Building drawings, manuals, plant and mechanical records and asset register, condition reports, JOP declaration, survey and registered plans
- Immediate reserve fund analysis. If condition / dilapidation report not available, engage quantity (QS) with board approval
- Prepare reserve fund plan over a minimum 10 years, preferably longer
- All correspondence and records to be archived after five years subject to the requirements of the Directions to Regulations

Investigating OAM role and process in procurement on behalf of OA

The group notes a general concern among some facilities service providers regarding working relationships between OAs, OAM companies and FMs. The recommendations to meet this challenge are as follows: (Refer to Outcomes.)

- Clarify respective and inter-dependent roles and responsibilities of OAs, OAMs and FM service providers
- Clarify extent of AM responsibility with respect to the constitution
- Highlight the necessity of legally binding structured contracts
- Importance of broad management skill set and techniques
- Clarify sub-contracts
- Developing and implementing procurement best practices
Challenges

A major challenge for OAMs is to thoroughly understand a building or community in detail before signing any contract. During research, it became apparent that several OAM companies are providing management proposals to OAs and developers without carrying out a site inspection.

Considering the number of responsibilities that fall under the OAM remit – administrative, financial, customer care and the technical aspects inherent in an OA – it would appear proposals have been produced under industry guidelines relating to other jurisdictions based on the generic legislatively regulated components of running an OA. This is assumed to include the number and frequency of general assemblies, board meetings and service fee collection, while building in a component for supervision.

(Refer to Recommendations and The Way Forward.)

JOP challenges

- Approval of budgets by RERA: the group recommends owners should make the decisions at the Meeting of the General Assembly with no RERA involvement
- Recommend year-end financial reports based on anniversary of inception
- Owners not required to register Dubai address hindering notary procedure. Recommend mandatory administration of developer and owner records

Practicalities of OAM Skill Set

With the responsibility now falling on OAMs for technical supervision (HVACR, MEP, civils, soft services et al), supervision is the key.

Time

- Time is a billable resource for OAMs. OAs are increasingly initiating meetings after hours and at weekends. OAMs may need to include a contractual agreement whereby out of hours meetings are billed as per overtime principal. Will OAs be willing to subsume cost?

Law / Insurance

- Civil liability and corporate liability guidelines need to be clearly defined to protect all stakeholders

Health and Safety

- How will AMs ensure best practice is adhered to throughout a building / complex / development? Will safety officers be required on-site? What is the cost implication?

Financials

- The need for RERA approved auditors. End of financial year compresses all meetings, audits and budget preparation into a two month window. This should be spread across the year. Clarification needed on owners’ contact details / jurisdiction to enforce service charge payment

Licensing and Registration

- What criteria will DED use to license OAMs?

(Refer to Appendix 1: 702008 Professional License requirements.)
### The Way Forward

The group initially struggled with issues concerning OAs, OAMs and FM service providers, most of which have been clarified.

However, to stabilise the property sector and engender market confidence, the group recommends regular clear and consistent lines of communication be established between relevant issuing bodies, industry professionals and end-users.
| Activity No: 702008  
License type: Professional  
Nature of activity: | Owner Association Management Services |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Includes firms specialized in managing and supervising the properties that are jointly owned and run by owners associations with the responsibilities of contracting, managing and supervising the firms in charge of maintenance, cleaning, security services and other specialized service providers; as well as handling the administrative issues and the record of the building and association submitting periodical reports to the association. These firms are not allowed to practice selling or purchasing or leasing brokering.</td>
<td></td>
</tr>
</tbody>
</table>

### Conditions and required documents:

**Parties:**

- **All Nationalities**
  1. Practitioner course for owner association management for owner and manager.
  2. Bachelor degree certificate for owner and manager.
  3. Minimum of 2 years experience in the Real Estate industry for locals.
  4. Minimum of 3 years experience in the Real Estate industry for foreign.
  5. Certificate of good conduct from CID for all parties.
  6. Foreign partner must be sponsored under this license.
  7. Other activities can't be included together.

**Note:**

- The license & all employees permitted to specialize in Real Estate Regulation should have RERA registration before practice their activity.
- Activity fee 10000 Dh per year.

**Note:**

- The license & all employees permitted to specialize in Real Estate Regulation should have RERA registration before practice their activity.
- Activity fee 10000 Dh per year.

**Conditions and required documents:**

**Parties:**

- **All Nationalities**
  1. Practitioner course for owner association management for owner and manager.
  2. Bachelor degree certificate for owner and manager.
  3. Minimum of 2 years experience in the Real Estate industry for locals.
  4. Minimum of 3 years experience in the Real Estate industry for foreign.
  5. Certificate of good conduct from CID for all parties.
  6. Foreign partner must be sponsored under this license.
  7. Other activities can't be included together.

**Note:**

- The license & all employees permitted to specialize in Real Estate Regulation should have RERA registration before practice their activity.
- Activity fee 10000 Dh per year.

**Note:**

- The license & all employees permitted to specialize in Real Estate Regulation should have RERA registration before practice their activity.
- Activity fee 10000 Dh per year.

### Note:

- The license & all employees permitted to specialize in Real Estate Regulation should have RERA registration before practice their activity.
- Activity fee 10000 Dh per year.

**Note:**

- The license & all employees permitted to specialize in Real Estate Regulation should have RERA registration before practice their activity.
- Activity fee 10000 Dh per year.

**Note:**

- The license & all employees permitted to specialize in Real Estate Regulation should have RERA registration before practice their activity.
- Activity fee 10000 Dh per year.

**Note:**

- The license & all employees permitted to specialize in Real Estate Regulation should have RERA registration before practice their activity.
- Activity fee 10000 Dh per year.

**Note:**

- The license & all employees permitted to specialize in Real Estate Regulation should have RERA registration before practice their activity.
- Activity fee 10000 Dh per year.

**Note:**

- The license & all employees permitted to specialize in Real Estate Regulation should have RERA registration before practice their activity.
- Activity fee 10000 Dh per year.

**Note:**

- The license & all employees permitted to specialize in Real Estate Regulation should have RERA registration before practice their activity.
- Activity fee 10000 Dh per year.
Members

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abdulhadi Ali Alalyak</td>
<td>DU</td>
<td></td>
</tr>
<tr>
<td>Ahmad Hamdani</td>
<td>Owners Association</td>
<td>RERA</td>
</tr>
<tr>
<td>Jennifer Blackwell-Spencer</td>
<td>Strata expert</td>
<td>Consultant</td>
</tr>
<tr>
<td>Jeevan D’Mello</td>
<td>Senior Director, Community Management Division</td>
<td>Emaar Community Management</td>
</tr>
<tr>
<td>Michael Batty</td>
<td>Head of Association Management</td>
<td>BCS Strata</td>
</tr>
<tr>
<td>Navin Valrani</td>
<td>CEO</td>
<td>Al Shirawi FM</td>
</tr>
</tbody>
</table>

Members Bios

**Abdulhadi Ali Alalyak**

Abdulhadi Ali Alalyak is currently the Vice President of Asset Management and Corporate Administration in the UAE Emirates Integrated Telecommunications Company “du”. He has held this position since 2008 being a key personal in the development of this young corporation.

Previous to this Abdulhadi worked for Etisalat as the Chief Engineer for Integrated Customer Services and Facilities Management. He brings 15 years of vast experience including managing operations in several areas such as managing integrated customer services, assets and infrastructure projects ranging from corporate offices, Retail, Telecommunications Technical Buildings, and Data Centres.

Abdulhadi holds a Bachelor of Science in Mechanical engineering from the George Washington University, USA, along with a Post Graduate Certificates in both the Strategic Leadership from Cranfield University, UK, and Managing Corporate Resources from IMD, Lausanne, Switzerland.

Some other recognized achievements from Abdulhadi include his contribution to the establishment of the Middle East FM association (MEFMA) which he is currently a member of the Board of Directors.

**Ahmed Khalil Mahmoud Hamdani**

Officer in charge of Owners Association, RERA

As the officer in charge of the Owners Association section of the Real Estate Regulatory Authority. Ahmed Khalil has worked with RERA for the past two years and together with his colleagues at RERA, has been instrumental in regulating developers, owners, owner associations and association managers in connection with the jointly owned property laws in Dubai.

Ahmed Khalil has previously worked in the asset and property management, finance and customer service sectors and has a passion for technology. At RERA, he has combined this past knowledge and experience and today assists the real estate market by providing practical-based solutions to their real estate problems.
Members Bios

**Jennifer Blackwell-Spencer**  
Strata Consultant

Holding an MA from the University of Warwick, UK, Jennifer is currently general manager of Gulf International Community Management, Dubai, and is a licensed real estate agent with RERA Owner Association Professional Management Certification.

She has also worked in the Australian, UK and UAE property industries. Operating in sales, leasing and property/asset management, she also has over 10 years’ experience as an owner association manager and principal encompassing commercial, residential and mixed-use developments exceeding 3,000,000 sq ft. Lecturing in Owner Association Management for the Dubai Real Estate Institute (DREI), she is also part of a team developing an internationally accredited owner association training programme for Dubai. As an owner association industry professional, Jennifer is a member of the Community Association Institute (CAI) and a MEFMA associate member.

**Michael Batty**  
Head of Association Management, BCS Strata Management Services

With over 28 years’ experience in owners association management, Michael held the role of portfolio manager, BCS Strata Management Services, Sydney Head Office, Australia, and is currently head of association management, BCS, Dubai, UAE.

His career spans land and building surveying, residential architectural design and fire protection design in marine, mining, chemical plants, power station and sub-station installations. He is also a licensed construction manager specialising in refurbishment, building diagnostics and fit-outs.

**Navin Valrani**  
CEO, Al Shirawi FM

Having graduated with Honours from The Wharton School of Business at the University of Pennsylvania, Navin completed several executive education courses from institutions such as Harvard, Stanford and Michigan/Ann Arbor. He is also a qualified ISO 9001:2000 internal auditor.

Navin joined Al Shirawi Group in January 1993 as executive director - part of the second generation in a family business co-founded by his father.

The Al Shirawi Group consists of 30 companies divided into 8 clusters, and he currently serves on the board of all 30 companies.
Members Bios

**Jeevan J D’Mello**
Senior director, Emaar Properties, Community Management Division

Jeevan J D’Mello GDArch, CMCA, AMS, is widely considered a pioneer in the field of community management in Dubai, managing freehold property since 2002. Currently a senior director with Emaar Properties, heading its community management division, he was the first professional in the region to receive the Certified Manager of Community Associations (CMCA) and Association Management Specialist (AMS) designations by the US-based Community Associations Institute (CAI). Winner of several awards, Jeevan is a RERA authorised lecturer at the Dubai Real Estate Institute (DREI) and regularly provides training on owner association management.

Currently managing four master planned communities and 56 owner associations (with a portfolio of over 32,000 units) in Dubai, Jeevan is a regular on the speaking circuit and was instrumental in organising the first Middle East Association Manager conference in Dubai. Besides his work in community management, he has been instrumental in developing the company’s corporate crisis management strategy. He holds membership of the National Centre for Crisis Management and the American Academy of Experts in Traumatic Stress.

For additional information, please contact;
Sinead Bridgett
Membership and Event Director, MEFMA
P.O. Box 126026 Dubai, UAE
Mobile: +971 50 8491447
sinead@mefma.org
www.mefma.org