

# MEFMA Newsletter

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Welcome to the second edition of our e-newsletter. Don't forget, if you have a story to tell please contact MEFMA and let your story be heard. Email details to: [sinead@mefma.org](mailto:sinead@mefma.org)

**Ali Al Suwaidi, Middle East Facility Management (MEFMA) Board Member, talks about the challenges in the FM industry and defining the role of the FM.**

The biggest challenge today is that the role of FM as an industry is overlapping with other industries and hence defining the FM industry in the Middle East is a challenge in itself.



Operational since August last year, MEFMA has marked a tremendous leap in the Facilities Management(FM) industry across the Middle East. Staying close to government bodies and the various stakeholders of the FM industry, MEFMA is striving to clearly define the role of FM in various sectors and set a benchmark study on the FM sector which is currently lacking as Ali Al Suwaidi, Senior Manager – Facilities Management ADPC, and Board Director for MEFMA tells us.

**Q - What is the biggest challenge today for Mefma concerning the Facilities Management (FM) industry?**

**A -** The biggest challenge today is that the role of the FM industry is overlapping with other industries and hence defining the FM industry itself in the Middle East is a challenge. If you look at the hotel sector, the education section

and health-care industry facilities management is huge within their spheres. It is important for us to clearly define the role of facilities management in all these sectors.

The second biggest challenge for MEFMA is creating a benchmark in the Middle East and building a platform of expertise. Today there is no research done on this industry and we at MEFMA are looking to build that. We have to start from the ground and build-up the knowledge and benchmarking from across the industry right from the various stakeholders of the FM industry such as the service providers to developers of properties to property owners. Thirdly, the next biggest task on hand for MEFMA is getting all these stakeholders to listen to each other. Right now, everyone has their own mandate. While we are trying to be the voice of the FM industry, at the same time we need to be careful that the voices are not just that of the service provider but also the property owners or the developers. We have to get a wholesome picture of industry and this is a challenge in itself.

**Q - Do you have a planned agenda to deal with these issues?**

**A -** We have set up various focus groups, conferences, and monthly networking events which bring together the stake-holders of the FM industry including government authorities. During our focus group meeting in November last year, we talked about the FM strategy for freehold. It was very inter-active with more than 70 people from the industry taking part in this event. In Abu Dhabi last month, we talked about energy management and tall buildings. In fact, in Abu Dhabi, our plan is to bring people from urban planning council, the Abu Dhabi municipality, Aldar and other developers so we can sit together to discuss the challenges and issues concerning the FM industry. With respect to setting benchmarks



and studies on the industry, we are asking the various FM professionals to provide us with information and statistics on their industry.

**Q - What is the kind of progress that MEFMA's focus groups have been achieving so far?**

**A -** The response has been great. We launched only last year and in less than a year there has been huge interest. We have a presence in Abu Dhabi, Dubai, KSA, Lebanon and Qatar so far. And have active members from across the Gulf and Middle East. We are progressing beyond expectation. We have a lot of people from the industry supporting us and it's not just the service providers but also the property developers.

**Q - Is MEFMA looking to draw up regulations on the FM sector anytime soon?**

**A -** MEFMA will never launch any regulations. We are not a regulatory body to regulate the FM industry. We are a non-profit association and just like any other non-profit associations in the world we are here to help out the FM industry. Having said that, we are a little bit different as our strategy is to sit close to the government authorities and we want to bridge the gap between the government and us. However, we can only influence them, give them the voice of the industry but the government bodies will have the final say with respect to regulations for the industry.

**Q - How far ahead are you with respect to standardising FM charges in the UAE?**

Again FM charges in the UAE is something done by the governmental bodies in Abu Dhabi, Dubai and Sharjah. We are trying to put research through focus groups that can be shared with the governments, however we are

not the authorized bodies to regulate service charges. Having said that, on the issue of service charges, there has been a lot of changes. For example, in Dubai or Abu Dhabi, developers need to get government approval on service charges before they finalise it. This has created a lot of transparency with respect to service charges and in quite a few instances has resulted in lowering of service charges to customers as well.



Further the issue of service charges is very much depended on the sales and purchase agreement signed between the customer and the developer. Both parties need to sit together to discuss this before signing a contract and purchasing a property unit.

**Q - Abu Dhabi is still nascent compared to Dubai in terms of real estate development, considering that there is still a lot of development underway in the city. Is MEFMA influencing developers to introduce FM right in the early stages of their property development?**

**A -** It is very early to judge what will happen in Abu Dhabi. In Abu Dhabi we are in a better situation than we are in Dubai since we can get involved at an early stage. Communication between developers and government authorities will help the set up of FM in the early stages of property development. In fact,



in Abu Dhabi we are looking at sustainability elements with the help of strong bodies like the Urban Planning Council.

**Q - You recently took MEFMA to Qatar. How was the response from Qatar?**

**A -** There is a big leap in Qatar in terms of standardization. We were there last year in November and the response was huge with more than 120 people attending the event organized by MEFMA. We are lucky to have big support in Qatar. There is a lot of growth potential in Qatar and in April this year we hope to set up some focus groups and a training programme for that region.

**Q -** What is the core area that Qatar is looking to improve from an FM perspective? Is Energy Management, a large focus area for the country considering the vast energy reserves it has?

**A -** Energy management is a part of it but training is also an important area of focus in Qatar.

**Q - Apart from Qatar, which is the next country within the GCC that MEFMA is setting eyes?**

**A -** We are planning to go to Saudi Arabia in April/May and will be looking at other Middle Eastern countries as well.

ENDS.....

**Going forward in the UAE, service charge modelling will be necessary to ensure tenants are fairly treated, says Richard Burl, Senior Vice President - International, The Linc Group.**



“FM professionals are few and far between; there are many people on the market seeking new positions of which, in my opinion, only 15% are good FM Operational Management professionals.”

“Service charge modelling is a must if tenants are going to be fairly treated. During 2008/9 high standards of modelling was available and in use; however, standards have dropped during 2009/10. FM professionals are few and far between; there are many people on the market seeking new positions of which, in my opinion, only 15% are good FM Operational Management professionals.”

He also said: “MEFMA must promote the interests of members and where necessary present those interests within both the private and public sectors. It must initiate interest throughout the region and work with governments and stakeholders to foster robust working relationships and encourage government support and participation. MEFMA must manage the association in an open and effective manner; encourage communication and the exchange of experience and knowledge to gain the initiative in setting professional standards.”

**Q - Can you tell us if facilities management charges have dropped in the last one year (period between Jan 2010 to Dec 2010)? If yes, how much have they come down?**

**Burl:** Most certainly; it is difficult to ascertain



an exact reduction. However, on average I would estimate a reduction of 30%. The figure indicates a lower level of expectation coupled, in some cases, with a reduction in scope.

**Q - Going forward in 2011, how do you see the FM charges consolidating in the UAE market?**



Service charge modelling is a must if tenants are going to be fairly treated. During 2008/9 high standards of modelling was available and in use; however, standards have dropped during 2009/10.

**Burl:** One hears brave statements that FM, in particular for residential projects, should be charged at Dh 3 per square foot. In reality such a low price will only provide the bare minimum in terms of standards and delivery. Staff quality will be impaired and supervision experience and knowledge somewhat lacking. Nevertheless, the UAE market compared to other countries appears to be stagnating; FM as a professional property and/or asset management tool is being replaced by maintenance solutions, where in general the standards are poor.

**Q - What are some of the biggest challenges that you as a service provider faced in the UAE?**

**Burl:** One of the biggest challenges today is

explaining to prospects that if they maintain and care for their properties properly that in the longer run the property(ies) will increase in net worth and reduce longer term costs. However, probably due to the recent financial crisis owners, are looking short-term, which could impact on the net worth of properties.

**Q - Do you see standards being created in the UAE within the FM industry especially with regards to service fees and charges and recruitment of FM professionals?**

**Burl:** Service charge modelling is a must if tenants are going to be fairly treated. During 2008/9 high standards of modelling was available and in use; however, standards have dropped during 2009/10. FM professionals are few and far between; there are many people on the market seeking new positions of which, in my opinion, only 15% are good FM Operational Management professionals. The UAE was setting the standards for the GCC and further afield; however, travelling within the region has demonstrated that countries that were copying the UAE are now setting their own standards.

**Q - As an FM provider and a member of MEFMA, what are your expectations from MEFMA?**

**Burl:** Apply sound and proper governance. MEFMA must promote the interests of members and where necessary present those interests within both the private and public sectors. It must initiate interest throughout the region and work with governments and stakeholders to foster robust working relationships and encourage government support and participation. MEFMA must manage the association in an open and effective manner; encourage communication and the exchange of experience and knowledge to gain the initiative in setting



professional standards.

**Q - What are the kind of savings for property owners in the UAE if they incorporate FM right at the design stage of their property? For a property that is ready to move-in, should FM be incorporated atleast at that stage. What are the immediate benefits?**

**Burl:** Consultancy appointed at the beginning provides strategic and long range planning services that support client decision-making and problem definition. As a result, consultancy effectively assists clients in integrating information about their business, operations, and facilities thus helping them maximize their resources, optimize capital costs, and establish a mechanism to manage change. Specifically FM consultancy used to commission (or witness), snag and manage handover, ensures that clients receive a property that has been properly inspected, tested and challenged. FM consultancy from the beginning could save clients 25% operating costs during the first 10 years. If consultancy followed by professional FM operational management is initiated throughout a buildings life, operating costs have been known to reach 40% and productivity of commercial and manufacturing properties has been recorded at 20% increase.

ENDS.....

***MEFMA serves lunch in Abu Dhabi on Yas Island to an audience of over 100 attendees – Sponsored by Khidmah***



*Bradley Robbins, Khidmah, speaking at the MEFMA Conference in Abu Dhabi*

**Stand first:** As governments across the Middle East plan for continued and sustainable socio-economic growth, total FM will have a crucial role to play in achieving their strategic visions

The January 30<sup>th</sup> MEFMA Abu Dhabi open day and conference, supported and sponsored by Khidmah, was a landmark event in the FM calendar. Bringing together Abu Dhabi Government departments and FM practitioners, the role of FM within Abu Dhabi Plan 2030 and other strategic initiatives were discussed and debated for the first time. Bradley Robbins, director of services, Khidmah, said the inclusion of FM in achieving the capital's 2030 Vision is a significant step in change.



*Peter Nasrallah of MUSANADA – Signed as Founding members at the historic event*



“Essentially, the 2030 Vision is bringing FM into the 21<sup>st</sup> century. It will enable us to compete on a global scale to ensure FM services complement and assist Abu Dhabi Government in achieving the 2030 Vision.

“This is a ground breaking development for the industry. It’s recognition by government of the importance of FM in creating, operating and maintaining the built environment to provide sustainable living and working solutions for a growing population.”

**Meeting challenges head-on**

However, Robbins notes that challenges lie ahead. “To establish the need and value for FM in Abu Dhabi and the Middle East as a whole, we must move away from traditional, reactive maintenance to customer centric KPI-based FM services. This, in turn, will extend the traditional asset life through recurrent savings. Quality of service, fare price points and partnership arrangements will also be critical to the mix.”

Keynote speaker Peter Nasrallah, senior operations manager, Musanada, agrees adding: “This level of recognition carries with it great responsibility. It’s imperative we move the industry forward as one across the region. The formation and support of MEFMA through events such as these will enable us to do so.”



*Afshin Afshari, Energy Management Manager, Masdar City*

“We are entering a new phase in the FM sector,” said Afshari “It’s exciting, the stakes

are now higher than ever, and I’m confident we will deliver as an industry.”

ENDS....

***MEFMA joins Global FM, the worldwide alliance of FM associations to further strengthen international ties with professionals in the industry.***

The announcement was made by MEFMA at its Open Day and Conference in Abu Dhabi on January 30<sup>th</sup> in the Radisson Blu Hotel.

“Global FM is the governing association for FM associations worldwide. MEFMA is very proud to announce its membership of this organisation, further strengthening our communication and network with the likes of IFMA, BIFM and FMA,” Sinead Bridgett, MEFMA Director announced.

“We see this as a step in the right direction, confirming MEFMA's progression as the Middle East's only FM organisation. The benefits from this partnership will bring knowledge sharing and FM education to a new level.”

MEFMA president Jamal Lootah urged more professionals to show their support by becoming members. He said the market needs stronger FM companies.

“The time has gone when FM was just about maintenance provision. It is about the integration of different services to give value to the client. Most people want to understand what FM is, and this year we will try to cover as much of the GCC as we can, wherever we need more FM awareness.”



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*The next issue*

*Engulfing the Gulf!*

*The Kingdom of Saudi Arabia, MEFMA continues to expand into the region – Our next conference will take place in KSA and is sponsored by The Linc Group and MMG.*

*MEFMA Networking events continue to expand as we start the debate in Qatar.....*

*Our Foundation in FM training course begins in late April/ early May....*

*Please register for our events and conferences by contacting us at [sinead@mefma.org](mailto:sinead@mefma.org)*

*Thank you for supporting MEFMA!*