

THE GREEN COMMUNITY RESIDENTS OPT AGAINST CONFRONTATION OVER FEES

■ EFFORTS TO FORM GROUPING FAIL AS DEVELOPER REFUSES TO RECOGNISE PANEL

THE CRISIS that was brewing in The Green Community seems to have abated with a majority of residents deciding not to confront the developer on the revised, and much higher, service charges. With this, recent moves to create a broad-based residents' grouping to oppose the fee hike seems to have come to naught.

The premium residential development is a joint venture between Union Properties and Dubai Investments. Some of the residents that *Property Weekly* spoke to contended that the opposition to the service charge hike came from a limited number of tenants. They had tried to form a grouping under the title of 'Democratically Elected Green Community Residents Committee'.

But this only led to raising the ante with Properties Investments, the developer and management company, as it did not recognise the grouping.

"It is either an issue of some people wanting to wash their dirty linen in public, or they wanting their 15 minutes of fame. The success stories of similar situations in other communities have clearly gone to their head," suggests B. K., refer-

PHASED INCREASES

■ "Based on mutual review and discussion of service charge actuals, audited accounts and budgets, increases can be phased in over a period of several years. Costs could be reduced and optimised by employing cost cutting measures in management and maintenance. All concerned must realise that further antagonism is not in the interests of either party in such a tranquil residential setting."

—Shahram Safai, Partner at Afridi & Angell

ring to recent resident-initiated committees that were set up at The Greens.

B.K. has been a resident at The Green Community since inception. He admits that the decision to hike the service charges by 300 per cent did come as an 'unpleasant surprise'. But what has jolted him was the manner in which the whole incident was handled by some residents and Properties Investments.

It was reported that several residents were turned away recently by Properties Investment, when they tried to pay their service fees. The management had a simple enough reason — the residents were trying to hand over cheques with the old amount, instead of the revised ones.

Existing contract

According to one resident, he submitted four cheques as instalments towards his annual service fee as per the existing tenancy contract. The cheques were accepted and he was provided a receipt.

What was not accepted or acknowledged was his letter requesting for more information on the hike. He has since decided to courier the letter. "I love living at The Green Community and would not exchange it for any other place in Dubai or the UAE. But we have absolutely no reason to believe that these fees are going to improve our lives," he says.

Officials at Properties Investment were not available for comment. But on the Union Properties website, the company has provided its take on the situation — "In 2005 and 2006, Properties Investment collected back from its tenants only 38 per cent, 39 per cent respectively, of the actual costs that it incurred in maintaining and managing The Green Community. For 2007, the company is seeking to collect 76 per cent of anticipated cost, still not the 100 per cent recovery that it is contractually entitled to demand."

Properties Investment had confirmed the new rates last November. Following residents' voicing their concerns, a second letter was sent in De-



cember. It called for a meeting of all owners of The Green Community in the presence of external auditors. The letter also promised to present the audited service accounts for 2005 and 2006 and the budgeted one for 2007.

A meeting was subsequently held on March 18 between the management of Properties Investment and the residents. That was the spark leading to the present impasse between the newly formed residents' committee and Properties Investment.

According to another resident who wishes to remain anonymous, the single-page report provided by Properties Investment does not explain the expenses

for which the increased fees are required.

Shahram Safai, Partner at Afridi & Angell, a Dubai based law firm, counsels: "Both sides should recognise that it is not in their interest to antagonise the other. Properties Investment appears to have been subsidising the lessees by charging only 35 per cent or so of actual costs of management and maintenance.

"Realistically, such subsidisation is not sustainable and the residents should not expect Properties Investment to continue to so subsidise. On the other hand, a 300 per cent increase is an astronomical and unreasonable increase for a family. A negotiated solution is a fair middle ground."