

# Sorouh

Your rights and responsibilities as an owner in Sun & Sky



# Session outline

- **Strata Law overview**
- **Strata Law in Abu Dhabi**
- **How is Sun and Sky structured**
- **Roles and responsibilities**
- **Service charges**
- **District cooling and gas billing**
- **Questions**

# Strata Law Overview: What is Strata?

**Strata law allows for the subdivision of land and buildings into units and common areas in a jointly owned property.**

Strata schemes are used to:

- separate different uses – residential, office, retail
- define private unit areas and common areas
- determine who owns which areas and who pays for the services

Owners pay service charges to clean, maintain, and replace common areas

# Why use Strata?

## Strata...

- defines who owns which areas in a building
- provides greater transparency of services and charges
- ensures owners can influence the value of their investment
- Is proven internationally as the most effective and fair mechanism for owners in jointly owned property

# What is an Owners' Association?

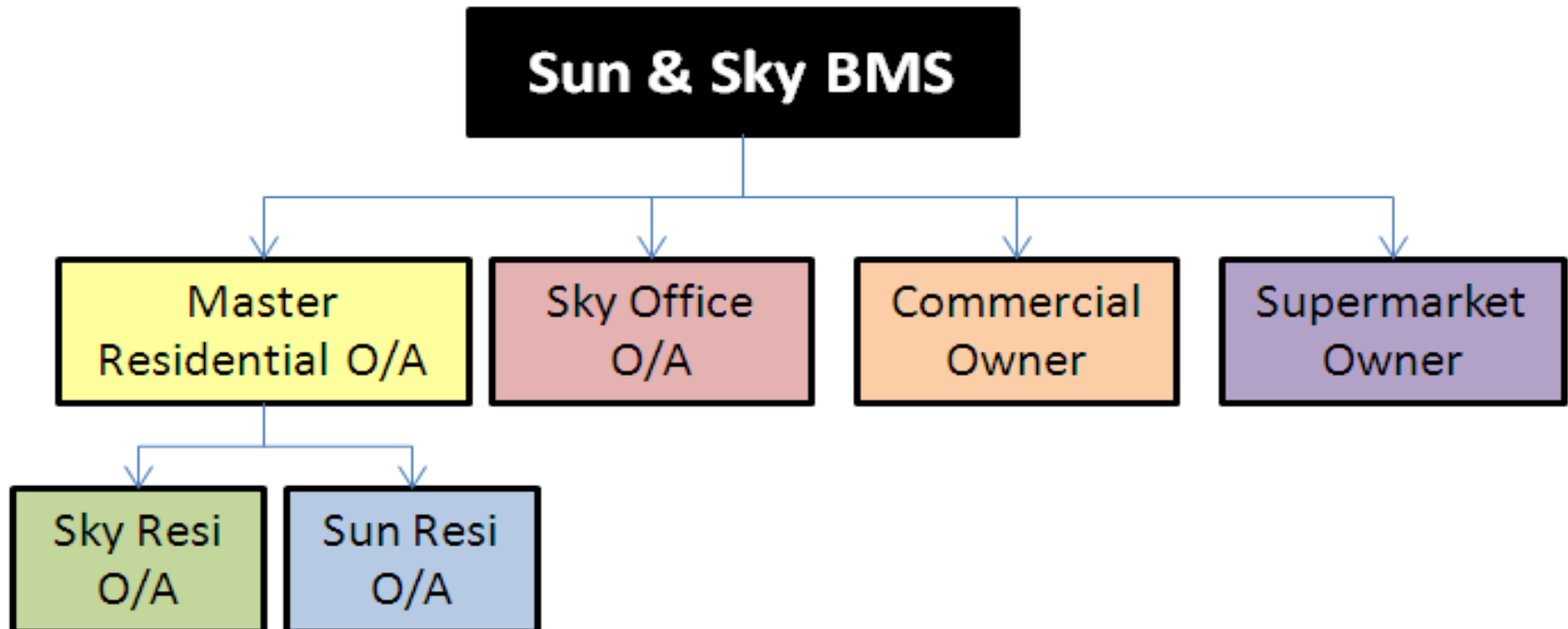
- The Owners' Association acts for and in the best interests of unit owners
- Owners elect representatives to the board of the Owners' Association
- The Owners' Association appoints a manager who prepares service charge budgets on their behalf and assists in the appointment of a facilities manager
- The Owners' Association structure and related legal documentation are prepared by the developer

# Is Strata Law in Abu Dhabi?

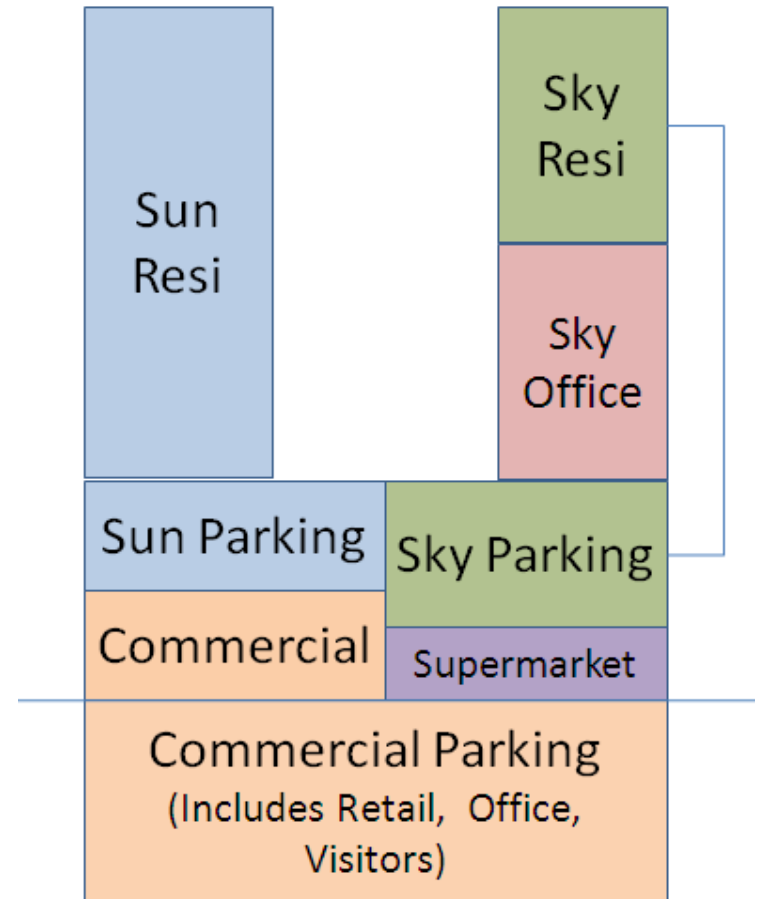
- Abu Dhabi's authorities are currently drafting Strata Title Laws
- Sorouh has prepared a "Strata Title Ready" structure for the Sun & Sky towers in anticipation of these laws
- This structure will give owners involvement in how their common property is managed and will ensure transparency of the service charges
- Once Strata Law is introduced, Sorouh will transfer Sun & Sky seamlessly into the new legal framework

# How are Sun & Sky structured?

## Sun & Sky Tower Structure



# How is Sun & Sky structured?



# What is Sorouh's role?

- Sorouh, as the developer, remains the owner of the land and common areas of Sun and Sky until such time as the Abu Dhabi Strata Law is passed
- Once the law is enacted, Sorouh will pass control to the respective Owner's Associations
- While currently, there is no legal basis to pass control to owners, the Owners' Associations will be operated in partnership with the elected Owner Boards to ensure a smooth transition

# What is Khidmah's role?

- Sorouh has appointed Khidmah LLC as the Owners' Association's manager for the initial term of three years
- As manager, Khidmah will look after all aspects of the administration and facilities management, and will ensure that all snagging of the units and common areas is completed by the main contractor
- Sorouh, in association with Khidmah, has prepared the first year's Service Charge Budget, based on a detailed estimate of costs

# What are Khidmah's duties?

## Owners' Association Manager Duties

- owner liaison
- service charge collection
- meeting & notices
- administrative duties
- community building

## Facilities Manager Duties

- security & access control
- common area cleaning
- leisure facilities operations
- contractor management
- landscape & waste
- MEP maintenance

# What are service charges?

**Service charges are collected from all unit owners to cover the costs of cleaning, maintenance and services provided in the building and community**

- Service charges comprise:
  - General fund – operational costs
  - Reserve fund – capital replacement costs
  - Master community fund – island-wide services
- Service charges also cover utilities and district cooling costs for common areas only

# Parking?

Unit	Studio & 1 Beds	2 & 2+ Beds	3 Beds	4 Beds & Penthouse
Cars	1	1	2	3

1. Allocated via Exclusive Use Right (EU) under Strata
2. Maintenance cost covered by service charge
3. Multiple parking spaces allocated sequentially/contiguously
4. Extra Car-parks and Storage are available for sale

# District cooling charges?

**District cooling charges comprise three components:**

- The connection charge – this will be paid by Sorouh, the developer
- The capacity charge – a guaranteed “annual off-take” for the entire building, collected for both units and the common areas via the service charge
- The consumption charge – individually metered based on usage, billed separately to the occupier and paid via the service charge for the common areas

# What happens to my service charge?

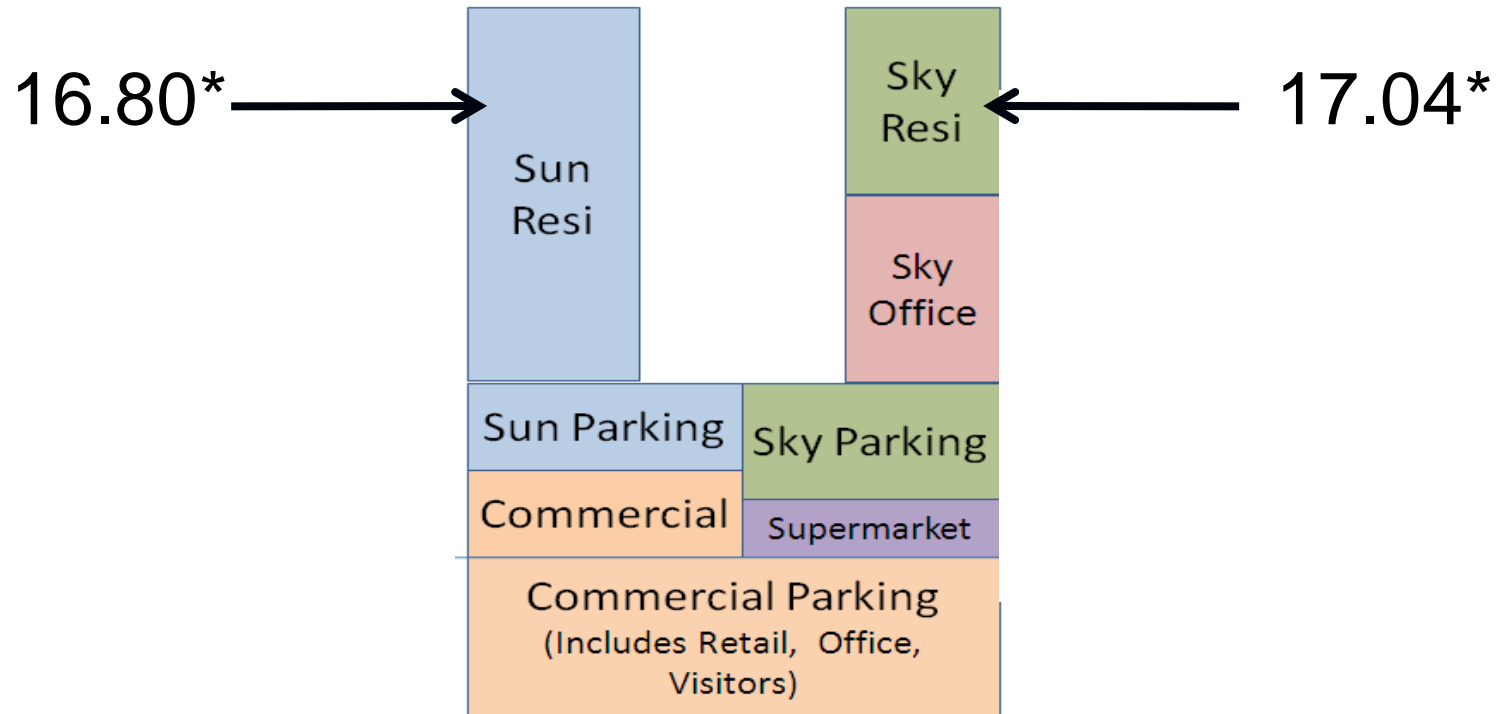
- The Owners' Association board in conjunction with the Owners' Association manager determine how service charges are budgeted and spent
- Service charges are paid six months in advance, along with a post-dated cheque for the subsequent six months, into trust accounts of the relevant Owners' Associations
- Service charges will include the general, reserve and master community funds for each Owners' Association
- Trust accounts will be audited on an annual basis by external accountants and presented to the Owners' Association board for review

# What is my Service Charge ?

ITEM	SKY	SUN	SKY OFFICE
	RESIDENTIAL	RESIDENTIAL	
	<i>Rate (AED/Sqft)</i>	<i>Rate (AED/Sqft)</i>	<i>Rate (AED/Sqft)</i>
O/A General Fund	5.37	5.71	6.44
BMG General Fund	3.47	3.09	3.38
Reserve Fund	2.73	2.91	2.82
Master Community Costs	1.43	1.29	1.36
<b>Sub-Total</b>	<b>13.00</b>	<b>13.00</b>	<b>14.00</b>
District Cooling - Common Area Consumption	0.90	0.96	1.29
District Cooling - Common Area Capacity Cost	1.05	0.75	0.91
District Cooling - Unit Capacity Cost	2.09	2.09	2.09
<b>TOTAL</b>	<b>17.04</b>	<b>16.80</b>	<b>18.29</b>

Note: service charges are calculated on building specific components and cost variations are due to differences in common area sizes and operational requirements

# What is my Service Charge?



\*Includes District cooling capacity charge

# Why implement Strata now?

- Sun and Sky's variety of mixed uses requires a tried and tested management structure – i.e. Strata
- Strata will ensure that you, the residential owners, do not incur any costs related to the commercial or retail owners
- Abu Dhabi Strata Law is in its final draft – the law makes the system mandatory, therefore it is logical to implement the structure now
- Sorouh is committed to a customer-focused and transparent management structure

# District cooling and gas billing

- PLACE will manage the billing of utilities and operate from an office at Sun and Sky
- The service includes:
  - The registration and setting up of tenants' utilities accounts
  - The distribution of monthly invoices by email, post, and – where required – hand delivery
  - The maintenance of an up-to-date database of all tenants' contact details



# Roads Network



Dedicated and self contained road network

# Important Contacts

## **Developer - Sorouh Real Estate Company PJSC**

customerservices@sorouh.com  
800-767684 (800-SOROUH)

## **Owners' Association Manager - Khidmah LLC**

ownerinfo@khidmah.com  
800-5443624 (800 KHIDMAH)

## **Facilities Manager - Khidmah LLC**

services@khidmah.com  
800-5443624 (800 KHIDMAH)

## **Place Community Managers**

enquiries@place.ae  
04-328 5995