

An Investor's Guide to Property Handover - New white paper launched by TFG Asset Management

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The handover of investment property is an exciting time, but before signing off and accepting possession of the unit, it is important to ensure that the property is free of defects and 'fit for purpose'. Unfortunately most investors lack the technical knowledge required to check everything.

TFG Asset Management – the leading hotel asset management company in Dubai - has recently launched a white paper titled "Property Asset Management – Handover strategies" which focuses on the main handover challenges and Defect Liability Period (DLP).

What is the property handover phase?

Once the building has been completed and the Building Completion Certificate (BCC) has been received, the process of formally handing over the property from the developer to the investor begins. During the property handover phase, it is essential to identify any faults with the property so that the developer can rectify them before the final handover is completed.

As we have already mentioned, most investors lack the technical knowledge to manage this successfully. For this reason, it is highly recommended that investors get professional help from a Residential & Commercial Asset Manager (RCAM) who will manage the handover process, protect their rights and help resolve conflicts of interest that exist between the multiple stakeholders involved in the project.



The challenges of the property handover procedure

The recent white paper by TFG Asset Management outlined some of the main challenges of the property handover phase and provided solutions for common handover issues. According to the company, many handover issues occur during the following four stages:

Documentation handover

There are many documents that need to be collated and handed over in the correct format. These fall under the following key headings:

- Building permit, certification and fit for purpose
- Architectural and engineering drawings
- Testing and commissioning documents
- Operation and maintenance manuals
- Statutory, legal and insurances
- Preparation for owners association

As an investor, it is essential to ensure that all required documentation is in place before taking ownership of the property.

Design fit for purpose

During the property handover phase, it is important to assess the unit to ensure it is 'fit for purpose'. Your RCAM will analyse the property for space utilisation and efficiency for its intended purpose, and they will ensure that fixtures and fittings meet quality standards and are in working order. Any missing or misplaced components within the building must also be detected and rectified.

Testing and commissioning

All equipment in the building should be tested and commissioned during the handover phase in order to prevent ongoing operational issues being faced by the investor. Testing and commissioning should be carried out on items like lighting, life safety systems, air and water balancing, hot water systems, etc. The testing and commissioning process is often delayed, however it is essential that the process is carried out quickly so that any faults can be rectified within the warranty period of the equipment.

Snagging and de-snagging

It is important that minor defects like leaks, wall cracks, and Mechanical, Electrical and Plumbing (MEP) issues are noted and rectified in order to prevent future remedial works. The snagging and de-snagging processes should be carried out during the construction phase – but must also be verified during the property handover period.

In summary

In order to prevent on-going issues that have an impact on the investor's bottom line, it is essential to identify and remedy defects and faults prior to the final handover.

As an investor, it is highly recommended that you seek professional help and get this managed by an expert consultant with the right knowledge and technical expertise. Doing so will help to protect you from future issues and ultimately help to ensure that your investment is successful.

For more information on property handover challenges and details of solutions for every property handover issue, you can download TFG Asset Management's [white paper](#).

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