

**Dr. Muhammad Imran Usmani, PhD**  
Shariah Advisor



**Jamia Darul Uloom Karachi**  
Korangi Industrial Area Karachi  
Postal Code 75180  
Tel: +92 21 5032528  
Fax: +92 21 5040234  
Fax home: +92 21 5046882  
Email: mail@imranusmani.com

### **Selling or Leasing Property For Various Purposes- Shariah Status**

There are very well settled rules described by Islamic jurists and scholars regarding leasing or Selling a property that could be used for Haram purposes.

Its brief description is as follows:

A: If a person sells or leases such property or goods that cannot be used but for Haram purpose, then its contract of sale or lease would be invalid and the seller or lessor would be sinner.

B: If a person sells or leases such a property or goods that can be used for Halal or Haram both purposes equally, and the seller/lessor does not know the exact purpose of the buyer/lessee of purchase or getting on lease, then it would be Halal to sell or Lease.

C: If a person sells or leases such a property or goods that can be used in Halal or Haram both purposes equally, and the seller/lessor knows that he would use it only for Haram purpose, then the contract of Sale/Lease would be valid, however, the buyer/lessee would commit a sin of Karaha (Karahat/disliking). It means that the seller or lessor should not sell or lease it to that person.

Now a question arises that what kind of Karaha would be involved here? Al Karaha Al tahreemiyah or Al Karaha Al tanzihiyah. (The first one means it is so detested or disliked that it has been very near to Haram. And the Second one means that it is not so disliked as the former one, but it is not preferable)

To answer this question, Islamic jurists opined that if a property being sold or leased can be used for the both Haram and Halal purposes, but their manufacturing or building is more suitable for Haram purpose, then it would be Makrooh Al Al Tahreemi to be sold and leased, otherwise, it would be Makrookh Al Tanzeehi (the second kind). (For reference, Jawahirul Fiqh v.2 p.439, written by Mufti Muhammad Shafi (RH)

Based on these principles if the property is built in such a manner that it would be more suitable to use it for banking purposes, then it is not preferable to sell or lease them, otherwise, it would be an act of sin.

However, if any property can be used for the both purposes equally, and seller or lessor knows that the buyer or lessee would use it for Haram purpose, then its sale or lease would be valid, but not preferable.

Therefore, in any case it is better that buildings or land should not be sold or leased to a party that uses it for haram purposes, in any above mentioned two secenarios.

In property that is given to a betting company, if it is known that it would be used for halal purposes in future, or it is not known that what is the purpose for getting them



on lease or sale, then it would be halal, because the building are usually constructed for shops, clinic, and offices for general usage. Otherwise, it is known that it is used only for Haram purposes, it should not be given on lease to that party.

### **Conclusion:**

In the light of the above mentioned principles of leasing and selling fixed assets for various purposes, it is settled that we should not lease property to a bank, cinema etc. Because if it is leased and that building is exclusively constructed for it, then it would be Haram, if it can be used for the both purposes of Halal and Haram, but more suitable for banking, then it would be Makrooh Tahrimi otherwise, Makrooh e Tanzihhi. In short, we should not lease in any above mentioned cases.

However, if a property were leased to person who would use it for Halal purposes, obviously, it would be Halal.

The third scenario is that the major part of its usage is for Halal purpose and minor part is for Haram, it means that the property is built in such a manner that it can be used for Halal and Haram purposes, and lessor knows that the property would be used substantially for Halal purpose, in this case it is permissible to lease that property to such a lessee or hirer. Now what should be the criteria to define the substantiality or majority of the nature of the business, I think we can apply here the screening methodology of shares of Dowjones Islamic Market Index (DJIM) or IslamiQstocks.com.

It means that if a leased property is engaged in Halal business, but its more than 5% of total income is derived from some impermissible income, and/or the leased property is engaged more than 30% of the total leased property in that impermissible business, then we should avoid to lease that property to that lessee. However, if the both criterion were less than their limit (i.e. 5%, 30%), it would be allowed to give the property to lease.

But as a matter of policy we should not give on lease to a party that uses the property in pornography or its related businesses, even its business is less than the above-mentioned limits.

After the aforesaid detail we come to a list of various potential tenants with their status according to Shariah based on the aforesaid principles.

In my opinion the following should be permissible for leasing:

- Hotels, supermarkets,
- Shopping mall,
- Petrol station,
- Shops with Mark & Spencer
- Departmental stores,
- Shops with Tennants WH Smith

**Dr. Muhammad Imran Usmani, PhD**  
Shariah Advisor



**Jamia Darul Uloom Karachi**  
Korangi Industrial Area Karachi  
Postal Code 75180  
Tel: +92 21 5032528  
Fax: +92 21 5040234  
Fax home: +92 21 5046882  
Email: [mail@imranusmani.com](mailto:mail@imranusmani.com)

Office Housing support staff of a bank  
Offices housing Marks and Spencers Admin.  
Offices housing Estate  
Health/fitness Centres  
Restaurants  
Fast Food  
Govt offices

Factories for making Aeroplanes

as a matter of policy we should avoid to lease for making Arms or military items as suggested in DJIM.com

We should not lease for Banks, Shops with virgin as tenant, cinema, insurance companies, casinos etc. This is my personal view in the light of the aforementioned rules. However, it may require further research or amendments.

Wasslam

Muhammad Imran Usmani